

# Housing Introduction

The City has a long standing commitment to affordable housing and sound community planning. Protecting and enhancing the quality of life and “living within our resources” have been fundamental goals for Santa Barbara since the adoption of the first General Plan in 1964. Concerns about the City’s optimum growth potential and its effects on the quality of life for its residents prompted significant actions in the 1970s and 1980s (see Planning History in General Plan Introduction).

The 1982 Housing Element identified the City’s growing need to provide affordable housing as well as address the jobs/housing imbalance issue. Several goals and policies designed to promote affordable housing, and preserve and improve the existing housing stock were included in the Element. Housing policies contained in the 1985 Housing Element Addendum emphasized preserving units within the commercial zone and creating additional residential opportunities. The primary focus of the 1995 Housing Element was to remove regulatory barriers and to stimulate the development and construction of housing. Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. These housing element goals were further supported and substantiated in the City’s Circulation Element.

The 2004 Housing Element continued the City’s strong Affordable Housing Program in the midst of a difficult fiscal environment. The City has supported the construction of affordable housing since 1970. Approximately 11 percent of its housing stock is developed with local, state, federal and in some cases private non-profit funding.

The 2011 Housing Element is an update of the previous 2004 Element and contains updated demographic, economic, and housing needs information. It contains new and/or revised policies and implementation actions focused on affordable housing opportunities with specific emphasis on increased rental and non-subsidized affordable housing units. As such, it carries forward the majority of the 2004 Housing Element goals, policies and programs, providing continuity and permanence to the City’s commitment to the production of affordable housing.

As part of the Housing Element Update, housing goals from the previous element were reorganized and blended, and where appropriate incorporated into other elements of the General Plan. The Neighborhood Compatibility and Improvement policies and programs (Goal 2) intended to manage growth, neighborhood design, historic preservation and environmental quality were more appropriately relocated to the Land Use and Circulation elements. Therefore, preserving the small-town character of Santa Barbara and its residential neighborhoods remains a key goal in the General Plan. Additionally, Goal 5, Reduce Governmental Constraints contained in the 2004 Housing Element was not carried forward as a separate goal area. Instead the policies and implementation actions which were primarily related to zoning ordinance amendments are now incorporated into the New Housing Development goal of this element.

Consistent with State Department of Housing and Community Development (HCD) policy that residential development be within “proximity to transit, jobs centers and public and community services”, the Housing Element continues to encourage smaller units and increased densities in the Downtown area and multi-family zones. This document serves to provide policy guidance to local decision-makers regarding the production and preservation of housing.

## **HOUSING ELEMENT REQUIREMENTS**

State law requires the preparation of a Housing Element as part of the City's General Plan. Cities and counties are required to identify and analyze existing and projected housing needs for all segments of the community, and identify goals, policies and quantified objectives to meet those needs. The Housing Element must accomplish the following:

- Identify and analyze the current and projected housing needs of all economic segments of the community, including special needs populations.
- Evaluate current and potential governmental and non-governmental constraints, and where feasible and appropriate, remove such constraints to meet housing needs.
- Identify and assess the availability of land suitable for residential use.
- Develop objectives, policies, and programs that set forth a 5-year housing work plan of actions to meet existing and projected housing needs.

Updates to the Housing Element are required at least every five years and include a mandatory review and certification by the State Department of Housing and Community Development (HCD). This update addresses the 2007 to 2014 planning period, and has been prepared to comply with State law and address local and regional housing and community planning issues. The Housing Element is organized with the following sections:

- **Introduction.** Discusses the purpose and statutory requirement of the Housing Element and describes the public outreach process.
- **Evaluation of Previous Housing Element.** Evaluates the effectiveness and appropriateness of the goals, policies and implementation strategies in meeting the housing objectives of the previous 2001-2007 Housing Element planning period.
- **Housing Needs Assessment.** Provides a detailed analysis of demographic, housing and special needs characteristics and trends.
- **Constraints.** Discusses market, governmental and environmental factors that serve as barriers and may affect ability to address housing needs.
- **Suitable Sites Inventory.** Identifies and evaluates the amount of vacant and underutilized land suitable for residential development.
- **Goals, Policies and Implementation Actions.** Presents housing goals, policies and action programs to address the housing needs of City residents.

For a clear understanding of the policy direction and content of this Housing Element, it is important to understand the housing policy issues and discussions that have been at the forefront in recent years. It is also important to have an understanding of the City as part of Santa Barbara County, Southern California and the State. This Introduction section is included to provide this context as well as to describe the community involvement that has occurred in the development of new Housing Element policies and implementation actions.

## **CITY IN CONTEXT OF THE SOUTH COAST REGION**

The South Coast region housing market area extends from the city of Carpinteria to the city of Goleta, including the city of Santa Barbara and all of the region's unincorporated communities. The County of Santa Barbara and the cities of Goleta, Carpinteria and Santa Barbara have regulatory authority over housing and job growth, as well as the provision of affordable housing.

Affordable housing on the South Coast is currently provided by a combination of local government agencies and programs, private non-profit housing developers, federal government rental subsidies, and privately-owned housing that may be more affordable than typical market rate housing (AMEC 2009). Currently there are 4,516 affordable housing units on the South Coast that have been subsidized by local government programs, with the city of Santa Barbara (41 percent of the population) supplying 3,427 (76 percent) of those units.

Although the South Coast functions as a single housing market, median housing prices vary by city or region, ranging from a low of \$745,000 in the city of Carpinteria to \$1,211,970 in the city of Santa Barbara (UCSB 2008). However, even where lower median home values exist, these prices are generally unaffordable to the vast majority of households living in the South Coast. For the City, it is clear that providing the amount of housing necessary to bring the median sale price anywhere near an amount affordable to persons earning the area median income in the near future would collide with long-standing community values of local control, protection of resources and quality of life.

While the City has limited the amount of new commercial development that can be approved in the City since 1990, the region has not adopted similar control measures, nor managed to produce similar levels of affordable housing. Regional cooperation in addressing the jobs/housing balance issues that affect the South Coast region continue to be an important goal of this Housing Element. Policies and implementation actions recognizing and promoting the City's commitment toward a coordinated regional effort in addressing the South Coast region's housing market are included in the Element.

## **PUBLIC OUTREACH AND PARTICIPATION**

Housing issues have been at the forefront of City policy discussions by decision-makers, the public and the local press since 1998. A great deal of community attention and dialogue has focused on the rapid changes occurring in the South Coast housing market. Never has an issue affected so many people in our community as has the cost and availability of housing.

This update to the 2011 Housing Element began in 2005 as part of the City's *Plan Santa Barbara* process. The public outreach and participation effort entailed a variety of methods including informational mailings, community workshops, community grassroots meetings, youth survey, and website. A more detailed description of these efforts is included in the Introduction chapter of the City's General Plan. Below is a summary of the key comments associated with housing issues received from City residents during the public participation process.

### **Community Input**

During the public workshops and grassroots meetings, as well as via comment cards received from City residents, affordable housing for the middle class, working class and critical workforce was identified as a priority issue for the community. The following list summarizes the key comments, issues and concerns expressed by the participants:

- Although some participants were concerned about more growth, the need for affordable housing was still seen as a critical issue for the City.
- Participants raised the matter of high housing costs as cause for concern, as many young professional and first time homeowners are unable to purchase a home in Santa Barbara.
- Many felt that traffic congestion has increased because middle to lower-income earners are unable to find homes close to their place of employment, and must commute from areas outside the City.
- Some participants advocated a strict no-growth approach, stating that it is economically and environmentally infeasible for the City to accommodate additional housing.
- Finding a balance between providing housing opportunities for all segments of the community and preserving the attractive and small-town character of the City was urged through the careful examination of Land Use and Housing Element policies.
- Some participants expressed concern that increased densities would jeopardize the City's small-town character.
- Other participants expressed support for increasing densities to provide additional affordable housing for the City's workforce. Such housing opportunities would benefit young families and youth living in Santa Barbara.
- Mixed reviews were received regarding the City's proposal to regulate residential densities in commercial and multi-family zones based on unit size. Some questioned whether smaller unit sizes would be marketable.
- Providing an "unbundled parking" approach in order to allow homeowners to purchase parking spaces separately from the residential unit was identified as an incentive to produce additional affordable housing. Many participants felt that this approach could be detrimental to neighborhoods experiencing parking deficits. Others urged exploration of other approaches such as pooled parking or the use of public parking garages.

City residents through the *Plan Santa Barbara* process have engaged in a dialogue to identify and define the issues that matter most to the community. As previously noted, opportunities to become involved in the outreach process were provided through mailings, surveys, community workshops, a website, and public hearings. The lack of housing affordability for City residents, especially for the local workforce, was identified as a major concern that requires prompt and creative solutions. Equally important is the goal of "Living Within Our Resources" and the desire to maintain the small-town character of Santa Barbara.

Input from community members and decision-makers has guided the development of new policies and implementation actions in the Housing Element. The 2011 Housing Element carries on the City's commitment to providing affordable housing, retaining and increasing rental housing, and encouraging the production of non-subsidized affordable housing. Protecting and maintaining the small-town character of Santa Barbara and its residential neighborhoods continues to be a key objective.

# Evaluation

## CONTEXT AND PURPOSE

State Government Code Section 65588 requires that the housing element be evaluated to assess the progress made in achieving the jurisdiction's housing goals and objectives. This step is important in assessing the appropriateness and effectiveness of the City's existing goals, policies and implementation strategies, and documenting results that were achieved during the planning period 2001-2007, hereby referred to as the 2004 Housing Element. State law specifically calls for a three-step process:

- Effectiveness of the Element. A review of the actual results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible.
- Progress in Implementation. An analysis of the significant difference between what was projected or planned in the previous element and what was achieved.
- Appropriateness of goals, objectives and policies. A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the previous element.

This analysis informed and directed the policy and program changes made in the 2011 Housing Element. To accomplish this evaluation, the Five Year Work Program of the previous Housing Element was reviewed. For every housing strategy, this work program identified an estimate of:

- Schedule
- Responsible Agency
- Time to complete
- Budget needed (if necessary)
- Anticipated outcome
- Potential funding sources.

The City of Santa Barbara has been producing and supporting affordable housing since approximately 1970. As of 2009, the City estimates that 12 percent of the City's housing stock is assisted through local, state and federal funding, and in some cases private non-profit entities. The City would be a very different place today were it not for the vision of previously elected and appointed officials, City Staff, non-profit housing developers and community based organizations who have made affordable housing a land use and funding priority for the past four decades.

The 2004 Housing Element contained seven goals, 35 policies and 213 implementation strategies intended to address the City's housing needs. The majority of the strategies are a continuation of the City's commitment to the production of affordable housing and sound community planning. Many of the programs identified in the 2004 Housing Element were aimed at protecting neighborhoods, quality design, historic preservation, environmental quality, affordable housing and socio-economic diversity.

Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. During the 2004 Housing Element planning period, the City continued to develop the majority of new housing in commercial and multi-family zones in and around the Downtown area.

## **EVALUATION**

This section evaluates the effectiveness and progress in producing housing since 2001 and implementing the policies and programs identified in the 2004 Housing Element. This step is important in determining the appropriateness of existing policies. It is also important to illustrate and acknowledge the value of strong housing policies and the results that have occurred. This evaluation coupled with the updated housing needs analysis informed and directed adjustments to the policies and programs for the 2011 Housing Element. The evaluation discussion is organized around the seven goals of the element.

- Housing Opportunities
- Conservation and Improvement of Existing Housing
- Neighborhood Compatibility and Improvement
- New Housing Development
- Reduce Governmental Constraints
- Regional Cooperation and Jobs/Housing Balance
- Public Education

The City has been successful in implementing the goals and programs of the 2004 Housing Element, producing the majority of its new housing in commercial areas of the Downtown and surrounding multi-family residential zones. As such, good progress has been made in constructing infill development, special needs, and mixed-use housing. In addition, the City has substantially followed through with funding assistance for affordable housing in both new construction and rehabilitation programs. Further, amendments to the Municipal Code have been carried out to promote housing opportunities, preserve the existing housing stock and neighborhoods, and reduce residential development barriers.

Appendix E provides a strategy-by-strategy analysis of the 2004 Housing Element, quantified whenever possible. The following narrative describes the effectiveness by housing element goal area, including specific program highlights.

### **GOAL 1: Housing Opportunities**

The 2004 Housing Element established a detailed program of 38 strategies aimed at providing a full range of housing opportunities for all persons, including seniors, homeless, special needs households and households living in poverty. For the most part, the strategies associated with this goal were implemented. Most of the strategies and programs are ongoing to acknowledge the City's commitment to ensuring housing opportunities for all segments of the community. Highlights of achievements during the previous planning period are presented below.

## Funding Resources

The City's Community Development Block Grant (CDBG) and Human Services programs provided grants to local agencies for a wide range of housing, human and community service programs, and capital improvement projects. From 2001 to 2007, over \$12 million in grants were distributed to support thousands of people through non-profit community organizations and city programs. These programs strive to meet the needs of children, families, seniors and disabled persons, homeless, victims of domestic violence and others seeking assistance.

## Housing Opportunities for Seniors

The Housing Element established a range of strategies to ensure the availability of housing for low and moderate-income seniors. The City was successful in producing and preserving senior housing during this planning period, securing 299 rental units for very low and low-income seniors using Redevelopment Agency Funds. These units were accomplished through a combination of new construction as well as the rehabilitation of existing units. Table H-1 summarizes achievements and progress made toward meeting the objectives of the 2004 Housing Element:



*Villa Caridad, affordable senior housing project*

**Table H-1: Senior Housing Opportunities (2001-2007)**

| Project Name/Address | Units/Tenure | Type             | Affordability       |
|----------------------|--------------|------------------|---------------------|
| Laguna Cottages      | 11/rental    | New Construction | 11 Low              |
| Villa Caridad        | 95/rental    | New Construction | 95 Very Low         |
| Laguna Cottages      | 44/rental    | Rehabilitation   | 44 Low              |
| SHIFCO               | 95/rental    | Rehabilitation   | 19 Very Low, 76 Low |
| Pilgrim Terrace      | 54/rental    | Rehabilitation   | 54 Low              |

*Source: City of Santa Barbara 2009*

## Housing Opportunities for the Homeless

The Housing Element calls for programs and efforts to provide shelter and services to the homeless and to prevent homelessness. Casa Esperanza, located in the City, provides the only walk-in day center program in the South Coast. The center offers coordinated, centralized supportive services to help homeless persons achieve their maximum level of self-sufficiency. The program is designed to serve any homeless person or family, although the clients tend to be chronically homeless individuals and those who are not eligible for any other homeless program. This facility provides 200 beds of emergency shelter in the winter months and 100 beds the remainder of the year.



The City was successful in providing housing opportunities for homeless individuals during the planning period securing 386 units and beds (Table H-2). This was accomplished through a combination of new construction and operational funding for transitional housing and emergency shelter beds, as well as the rehabilitation of existing SRO units. During the 2004 Housing Element planning period, the following achievements and progress were made toward meeting the housing needs of the homeless population:



*El Carrillo, Single Resident Occupancy (SRO) project*

**Table H-2: Homeless Housing Opportunities (2001-2007)**

| Project Name/Address                | Units/Tenure                                       | Type             | Affordability              |
|-------------------------------------|----------------------------------------------------|------------------|----------------------------|
| El Carrillo                         | 62/rental                                          | New Construction | 62 Very Low                |
| Willbridge                          | 12/beds                                            | Acquisition      | 12 Very Low                |
| Faulding Hotel                      | 81/SRO                                             | Rehabilitation   | 2 Very Low, 69 Low, 10 Mod |
| Hotel Riviera                       | 31/SRO                                             | Rehabilitation   | 31 Very Low                |
| Casa Esperanza<br>Emergency Shelter | 200/beds<br>(Dec.-Mar.)<br>100/beds<br>(Apr.-Nov.) | Beds Preserved   | 200/100 Very Low           |

*Source: City of Santa Barbara 2009*

### Municipal Code Amendments

- In 2002, the Safe Parking Program was initiated to allow the night-time use of Recreational Vehicles (RV) on parking lots owned by local churches and nonprofit organizations. Since that time both the City and County of Santa Barbara have acted to permit night-time RV use at a number of public parking lots. In 2007, the Municipal Code was amended to expand locations where overnight RV parking can occur. The Safe Parking Program currently has 55 spaces in Santa Barbara with 25 of the parking spaces provided in City operated parking lots.

### Housing Opportunities for the Disabled

Many of the strategies related to development and access for the disabled are now standard practice as a result of the Americans with Disabilities Act (ADA). During the 2004 Housing Element planning period approximately 105 units were constructed, preserved or rehabilitated to serve the housing needs of the disabled (Table H-3). The following summarizes the achievements and progress made toward meeting this objective:



*Building Hope, affordable housing for disabled persons and low-income downtown workers*



**Table H-3: Housing Opportunities for the Disabled (2001-2007)**

| Project Name/Address                      | Units/Tenure | Type               | Affordability       |
|-------------------------------------------|--------------|--------------------|---------------------|
| Building Hope                             | 39/rental    | New Construction   | 39 Very Low         |
| 1920 Chino St.                            | 16/rental    | At-Risk, Preserved | 16 Very Low         |
| Pilgrim Terrace                           | 30/rental    | Rehabilitation     | 15 Very Low, 15 Low |
| Victoria Hotel                            | 20/SRO       | Rehabilitation     | 20 Very Low         |
| <i>Source: City of Santa Barbara 2009</i> |              |                    |                     |

### Municipal Code Amendments

- Amended Municipal Code to include reasonable accommodation provisions for persons with disabilities.
- Amended Municipal Code to allow modifications to any zoning standard when necessary to make an existing residential unit accessible to persons with disabilities.

### Affordable Housing Opportunities

Aside from the housing opportunities identified above for seniors, homeless, and persons with disabilities, 177 additional affordable housing opportunities were provided. Most of these units were supported with City funds. Table H-4 summarizes achievements and progress made toward meeting the housing needs of the very low, low and moderate-income households:



*Casa de las Fuentes, affordable housing for downtown workers*

**Table H-4: Affordable Housing Opportunities (2001-2007)**

| Project Name/Address                      | Units/Tenure | Type             | Affordability             |
|-------------------------------------------|--------------|------------------|---------------------------|
| Building Hope                             | 12/rental    | New Construction | 12 Low                    |
| Casa de Las Fuentes                       | 42/rental    | New Construction | 31 Low, 11 Mod            |
| St. Vincent's Gardens                     | 75/rental    | New Construction | 42 Very Low, 33 Low       |
| Paseo Voluntario                          | 20/rental    | New Construction | 2 Very Low, 8 Low, 10 Mod |
| 210 W. Victoria St.                       | 6/rental     | New Construction | 2 Very Low, 4 Low         |
| Casas las Granadas                        | 12/rental    | New Construction | 4 Very Low, 8 Low         |
| 425 E. Ortega St.                         | 2/rental     | New Construction | 2 Very Low                |
| 721 Chapala St.                           | 5/ownership  | New Construction | 5 Moderate                |
| 3965 Via Lucero                           | 3/ownership  | New Construction | 3 Low                     |
| <i>Source: City of Santa Barbara 2009</i> |              |                  |                           |



*Paseo Voluntario, affordable multi-family housing project*

## **GOAL 2: Conservation and Improvement of Existing Housing Stock**

The Housing Element established a program of 27 strategies to conserve and improve existing housing stock, existing neighborhoods and community diversity and character. Most of the 27 strategies have been implemented and many are ongoing. The following presents highlights of achievements during the previous planning period (2001-2007)

### **Housing Rehabilitation**

The City's Housing Rehabilitation Loan Program (HRLP) has four main objectives: 1) to maintain and upgrade Santa Barbara's housing by correcting hazards to health and safety; 2) to enhance older neighborhoods by upgrading properties, thereby encouraging others to make improvements; 3) to provide improvements that help conserve resources and reduce operating and maintenance costs; and 4) to improve the quality of life of low and moderate-income residents by providing a healthful and pleasant living environment.

Most HRLP loans are made to low-income homeowners in Santa Barbara. The HRLP also provides rehabilitation loans to apartment owners who agree to keep the rents affordable to low-income tenants. Many of these owners are non-profit developers who have acquired the property for the purpose of doing major rehabilitation and long-term management.

#### **Rehabilitation Loans**

- The HLRP provided nearly \$8.7 million to rehabilitate 46 single family and 390 multi-family units from 2001-2007.

### **Preservation of Housing Stock**

The concern over the loss of older, affordable housing to redevelopment has remained a critical issue. Older housing is being demolished and replaced by new housing development. The City is seeking to preserve residential properties with historic value through surveys and a demolition review ordinance. In addition, preservation (or replacement in kind) of older housing stock that is not of historic value is of concern. This is particularly true for older housing stock in residential zones where State law limits the City's ability to prohibit demolition of rental housing.

During the 2004 Housing Element planning period, the following objectives were achieved:

- Extended affordability covenants to continue the affordability of 264 units to a period ranging from 30 to 99 years. New covenants for owner-occupied affordable units totaled 115.
- As directed by the 2004 Housing Element, historic surveys for two neighborhoods were completed during the planning period. The surveys serve as a tool to identify and protect buildings worthy of Landmark and Structure of Merit status.
- In 2004, a Demolition Review Ordinance was adopted to protect historic residential resources.
- In 2006, a Tenant Displacement Assistance Ordinance was adopted to provide tenant protection measures and monetary compensation to residents displaced by demolition, renovation, or conversion of their rental unit.

### **GOAL 3: Neighborhood Compatibility and Improvement**

The 2004 Housing Element added this new goal area with 12 strategies to address neighborhoods and quality of life issues. The goal was based on the principle that protecting and enhancing the quality of life in Santa Barbara is fundamental. The policies and implementation strategies were aimed at managing growth consistent with both State requirements and the City's long-standing commitment to neighborhoods, quality design, historic preservation, environmental quality, affordable housing and socio-economic diversity.

Although the City was generally successful in implementing the policies and programs under this goal, the 2011 Housing Element has eliminated this goal area. The corresponding goal, policies and implementations have been more appropriately incorporated in other elements of the General Plan. The following highlights achievements made during the 2004 Housing Element planning period:

- In 2007, the Neighborhood Preservation Ordinance was amended with new provisions to control "mansionization" in single family neighborhoods.
- The Single Family Design Board was formed and design guidelines adopted to address neighborhood issues. This Design Board is charged primarily with the review of single family units to lessen the number of projects reviewed by the Architectural Board of Review (ABR), thereby reducing processing time for single family residential projects.
- The Special Design District-Lower Riviera Survey Area (Bungalow District) was created to protect the bungalow character of the neighborhood.
- Funds were committed to undertake capital improvement projects in areas serving low-income residents to improve neighborhood infrastructure and enhance quality of life. Approximately \$400,000 is allocated annually to complete missing sidewalk segments.

## GOAL 4: New Housing Development

The Housing Element established a program of 64 strategies to promote new housing development. Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. Many of these strategies were specific actions or zoning amendments that have been completed. The following highlights the City's accomplishments in this goal area.

- City's RDA provided approximately \$39 million to fund the construction of 20 affordable housing projects with 562 units. Of the total units, 529 units were very low and low-income and 33 were moderate income.
- Funds were provided to local developers by the RDA for site acquisition, enabling them to land-bank sites for future development. This resulted in five new projects with 116 affordable housing units.
- In 2004, the Building Code was amended to change minimum size requirements for affordable efficiency units from 400 square feet to 220 square feet. This change allowed the construction of a 62 SRO project for formerly homeless individuals.
- Twelve affordable units were developed in conjunction with a new parking structure built on the site of a surface parking lot (Casas las Granadas).
- The Mental Health Association project consisting of 51 units was facilitated by the RDA's transfer of ownership of a parking lot.
- In 2004, the Inclusionary Housing Ordinance (IHO) was adopted to help meet the housing needs of the City's workforce (middle-income) and those not served by the RDA. Between 2004 and 2007 four units were constructed under this program. However, 16 additional inclusionary units were constructed in anticipation of the IHO and through bonus density incentives.



*Casas las Granadas, affordable housing developed in conjunction with public parking*

## GOAL 5: Reduce Governmental Constraints

The following discussion outlines the major achievements in implementing this Housing Element goal to reduce governmental constraints. This goal area identified 18 strategies, which were predominantly related to zoning ordinance amendments. The following are highlights of the City's accomplishments in this goal area.

- During the 2004 Housing Element planning period, the City created the Staff Hearing Officer program to improve, simplify, and streamline the development review process. Smaller projects that do not involve major land use policy considerations are reviewed and acted upon by a Planning Division Staff member designated to act on these projects. Certain projects that would otherwise be subject to Planning Commission review and consideration are now subject to review and approval by the City's Staff Hearing Officer. The program has been effective in expediting the permit process and reducing fees for small infill developments.
- The Municipal Code was amended to revise development standards allowing flexibility to parking, setbacks, private outdoor living space and open space requirements in the R-3/R-4 zones. These changes are intended to promote rental and affordable housing development.

- The Municipal Code was amended to allow two residential dwelling units (not subdivision of land) on R-2, Two-Family Residential zoned lots between 5,000 and 6,000 square feet, where only one unit was allowed. This amendment promotes additional rental housing.
- The Multi-Family Design Guidelines (MFDG) are intended to address coordination issues between the various City Boards and Commissions and give Staff authority to grant administrative approvals. This would assist with making the development review process more consistent and time efficient. The MFDG were not completed during the 2004 Housing Element planning period, however a policy directing the preparation of these guidelines has been incorporated into the Land Use and Housing Elements of the General Plan Update.
- The City's exterior noise standard for residential uses is currently 60dBA, which is problematic for the development of housing in certain areas already exceeding this noise standard. The 60dBA noise standard was not amended to 65dBA during the 2004 Housing Element planning period. However, a policy has been incorporated into the Environmental section of the General Plan Update to fulfill this objective.

Goal 5, Reduce Governmental Constraints, is not carried forward as a separate goal area in the 2011 Housing Element Update. However, the policies and implementation strategies associated with this goal have been incorporated into Goal 2, New Housing Development.

### **GOAL 6: Regional Cooperation and Jobs/Housing Balance**

This goal area continues to be a great challenge for the City. The primary reason is that to effectuate change in this area is not within the City's complete control and requires extensive cooperation and collaboration with neighboring jurisdictions. This is certainly not unique to the Santa Barbara area. The City continues to monitor State legislation and the efforts of the California Center for Regional Leadership for new programs to support better regional cooperation. The Housing Element established a program of 43 strategies to address jobs/housing balance issues and to further regional cooperation. The following presents three highlights in regional cooperation.

- The City continues to work with other cities in the South Coast region and the County of Santa Barbara to promote affordable housing. During the 2004 Housing Element planning period, the SBCAG Job/Housing Project was completed, as well as the Economic Community Project's Regional Impacts to Growth model and process.
- The City continues coordination with, and funding for MTD as it relates to the provision of public transit to housing developments. Likewise, coordination with the Coastal Housing Partnership designed to provide financial assistance programs and educational services to help employees acquire homes has and will continue.
- The City and County of Santa Barbara coordinated efforts and financial resources to facilitate the development of 170 very-low income rental units for seniors and low-income rental units for families at the St. Vincent's site. The City is processing (2010) a development application for the Hillside House project proposed to be annexed to the City. The project if approved will result in 121 housing units.





*St. Vincent's affordable housing project site*

### **GOAL 7: Public Education**

This goal area was established in 1995 to recognize the important role the public plays in building and maintaining community support for affordable housing. The element included 10 strategies to expand public education regarding affordable housing. The following are highlights of the City's accomplishments in this goal area.

- The City continued to expand awareness of the benefits of creating new affordable housing opportunities, implementing mixed-use and transit oriented policies and programs, and providing shelter and support services to the homeless. Special segments related to community issues are regularly aired on the TV Government Channel. Readily accessible information also appeared on the City's website.
- Affordable Housing tours were conducted to showcase exemplary affordable housing developments. The City received broad public media coverage of completed projects and received several prestigious awards for its projects from state and national organizations.
- El Carrillo, a housing project for the homeless, was featured by Huell Howser in the popular TV series, "California Communities."
- Received National and State awards and recognition for Paseo Voluntario (20 unit rental housing project), Casa de las Fuentes (42 rental units for downtown workers) and Casa Esperanza Homeless Shelter and Day Care Center.





## RESULTS

The Evaluation of the 2004 Housing Element identifies 2 goals, 9 policies and 92 implementation strategies to be eliminated for various reasons, including completing or achieving the objective, incorporated as part of another goal, no longer needed or appropriate, superseded by another policy or implementation action, or moved to another element of the General Plan. In addition, new implementation actions are being incorporated into the 2011 Housing Element Update to address housing needs and promote affordable housing opportunities. The emphasis is to encourage smaller units adjacent to commercial services, jobs and transit by allowing increased densities (based on unit size) in the commercial districts and multi-family zones, thereby promoting additional affordable and workforce housing in the most appropriate locations.

Between 2001 and 2007, 1,523 units were produced through new construction, rehabilitation, or preservation of existing units. These results demonstrate that the City's housing goals, policies and implementation strategies, as well as funding programs have been successful in producing housing, including deed-restricted affordable units.

**Table H-5: Housing Production (2001-2007)**

| <b>Income Groups</b>                      | <b>New Construction</b> | <b>Rehabilitation</b> | <b>Conservation &amp; Preservation</b> | <b>Total</b> |
|-------------------------------------------|-------------------------|-----------------------|----------------------------------------|--------------|
| Very Low                                  | 248                     | 87                    | 228                                    | <b>563</b>   |
| Low                                       | 110                     | 258                   |                                        | <b>368</b>   |
| Moderate                                  | 26                      | 10                    |                                        | <b>36</b>    |
| Above Moderate                            | 556                     |                       |                                        | <b>556</b>   |
| <b>Total</b>                              | <b>940</b>              | <b>355</b>            | <b>228</b>                             | <b>1,523</b> |
| <i>Source: City of Santa Barbara 2009</i> |                         |                       |                                        |              |



# Housing Needs Assessment

This section provides updated information related to the City's demographic, household and housing characteristics and an analysis of the community's housing needs. Many demographic factors affect the demand for housing and the type of housing needed or preferred. Factors such as age, presence of children, size of family / household, and income all contribute to housing needs. The Housing Needs Assessment serves as the basis for which housing goals, policies and programs can be developed to meet the City housing demand as well as provide a fair share of the region's affordable housing.

The Housing Needs Assessment uses the most recent data available. In many cases, the only data source is the 2000 U.S. Census. Other sources used include the 2006-2008 American Community Survey, California Department of Finance (DOF), Santa Barbara County Association of Governments (SBCAG) Regional Growth Forecast 2005-2040, and Strategic Economics (SE) Economic and Demographic Conditions (2009).

This section provides an assessment of:

- Population Growth Trends and Characteristics
- Employment Trends
- Household Characteristics
- Housing Stock and Market Conditions
- Assessment of "At-Risk" Assisted Units
- Housing Needs for Special Needs Population

## POPULATION TRENDS AND CHARACTERISTICS

### Population Growth Trends

In 1980 the City's population was 74,414 and by January 2000 the U.S. Census counted a total of 89,600 persons, representing a 20 percent increase in the City's population. It should be noted that due to an over-estimation of the group quarters population for the City, the total population counts reported by the 2000 Census were subsequently corrected to 89,600 persons, rather than 92,325. However, this correction was applied only to the total population count, and not to other demographic data.

The State Department of Finance (DOF) provides annual updates to the census population figures, and as of January 2009, DOF estimates the City's population to be 90,308. Table H-6 illustrates how the City's population has changed over time. The largest population growth occurred between 1980 and 1990, with an increase of 11,157 people (15 percent), representing an annual growth rate of 1.5 percent. However, since 1990, the City's population rate of growth has steadily declined.

**Table H-6: Population Growth Trends (1980 – 2009)**  
**City of Santa Barbara**

| Year | Population | Numerical Changes | Percentage Changes | Average Annual Growth Rate |
|------|------------|-------------------|--------------------|----------------------------|
| 1980 | 74,414     |                   |                    |                            |
| 1990 | 85,571     | 11,157            | 15.0%              | 1.5%                       |
| 2000 | 89,600*    | 4,029             | 4.7%               | 0.5%                       |
| 2009 | 90,308     | 780               | 0.8%               | 0.1%                       |

*Source: 1980, 1990, 2000 Census, Department of Finance 2009*  
*\*Corrected 2000 Census Population Count*

The City as a percentage of the total Santa Barbara County population has been decreasing over time. While the City of Santa Barbara has historically been the largest incorporated City in the County, as of January 2006, the City of Santa Maria became the largest City in Santa Barbara County. The Regional Growth Forecast (RGF) 2005-2040 prepared by SBCAG indicates that a population shift has occurred from the South Coast region of the County to the North County. Over 50 percent of the County's population is currently residing in North County cities and forecast to increase to 55 percent by 2040. This shift is partly due to the availability of vacant land designated for residential and commercial use in the North County.

### Projected Regional Growth

The RGF 2005–2040 forecasts demographic changes between 2005 and 2040 for the major economic and demographic regions and the eight incorporated cities of Santa Barbara County. The RGF estimates that by 2040, population in the County will increase by 75,300 (18 percent) for a total of 492,800. Significant population increases are projected in the North County during the 2005-2040 period, while population increases in the South Coast region are expected to be substantially less. The South Coast region is forecast to grow in population by 12,200 or 6 percent and the North County by 63,100 persons or 30 percent.

The City of Santa Barbara's population is projected to reach 93,000 by the year 2040. This represents a 3.8 percent total change or a 0.1 percent annual average increase from 2000 to 2040, representing a decrease in the City's recent growth trends.

### Age Characteristics

Housing needs are influenced by the age characteristics of the population. Different age groups have different housing needs based on lifestyle, family types, income levels and housing preference. For the purposes of this analysis, the age groups are generally defined as preschool (0-4), school age (5-19), college / early workers / young adults (20-24), prime workforce and child rearing years (25-54), mid-life / pre-retirement (55-64), and senior / retirees (65+ years of age).

### Population by Age 1990-2008

Table H-7 illustrates how the City's age distribution by these categories changed between 1990 and 2000. The most significant increase in population between 1990 and 2000 occurred in the 5-19 age group. This group increased by 4,255 persons and made up 18.4 percent of the City population. The 25-54 and 55-64 age groups also experienced increases during this time period, with persons between the ages of 25-54 making up 45.4 percent of the total City population. Population increases for these age groups is consistent with state and national trends reflecting the aging "baby boomer" population (roughly 45-55 years of age).

The 20-24 age group decreased by 1,187 persons, and comprised 9.5 percent of the population. As well, the 65 and over age group declined by 1,244 persons to make up 13.8 percent of the City's population. In the State, this age group held steady at just over 10 percent of the State's population. However, as compared to the State, the City still has a relatively higher percentage of people 65 years of age and older (13.8 percent for the City and 10.6 percent for the State).

The 2006-2008 American Community Survey was used to provide more up to date information on age trends that have occurred in the City since 2000. Table H-7 compares the 2008 survey results with the 2000 Census demographic data. Among the more notable changes was the decline in population of school-aged children (ages 5-19) and adults between the ages of 25-54. The 5-19 age group decreased by 4,261 persons and the 25-54 age group decreased by 4,900 persons. Despite a decline, persons 25 to 54 years of age continue to represent a significant portion of the City's population at 43.2 percent.

The number of older adults (ages 55-64) increased by 3,002 persons between 2000 and 2008, representing an increase of 44.7 percent. In addition, the median age increased from 34.6 in 2000 to 37.7 in 2008, implying an aging population.

**Table H-7: Population by Age (1990 – 2008)**  
**City of Santa Barbara**

| Age Group                                                      | 1990          |               | 2000          |               | 2008          |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| 0-4 years                                                      | 5,340         | 6.2%          | 5,194         | 5.6%          | 4,354         | 5.0%          |
| 5-19 years                                                     | 12,717        | 14.9%         | 16,972        | 18.4%         | 12,711        | 14.8%         |
| 20-24 years                                                    | 8,853         | 10.3%         | 8,790         | 9.5%          | 9,829         | 11.4%         |
| 25-54 years                                                    | 38,606        | 45.1%         | 41,926        | 45.4%         | 37,026        | 43.0%         |
| 55-64 years                                                    | 6,184         | 7.2%          | 6,716         | 7.3%          | 9,718         | 11.3%         |
| 65+ years                                                      | 13,971        | 16.3%         | 12,727        | 13.8%         | 12,449        | 14.5%         |
| <b>Total</b>                                                   | <b>85,671</b> | <b>100.0%</b> | <b>92,325</b> | <b>100.0%</b> | <b>86,087</b> | <b>100.0%</b> |
| Median Age                                                     | 34.0          |               | 34.6          |               | 37.7          |               |
| Source: 1990, 2000 Census, 2006-2008 American Community Survey |               |               |               |               |               |               |

Overall, the age distribution for the City of Santa Barbara closely mirrored that of the State of California. The median age in the City increased slightly from 34.0 in 1990 to 34.6 in 2000. This continues to be slightly higher than the State median age (31.4 in 1990 and 33.3 in 2000).

## Race and Ethnicity

The 2000 Census revised the questions on race and Hispanic origin to better reflect the country's growing diversity. According to a Census 2000 Brief on Race and Hispanic Origin, the federal government considers race and Hispanic origin to be two separate and distinct concepts. For the 2000 Census, the questions on race and Hispanic origin were asked of everyone. The question on Hispanic origin asked people if they were Spanish, Hispanic or Latino. The question on race asked people to report the race or races that they considered themselves to be. Responses to both questions are based on self-identification. The changes in how the census data are collected make comparisons between census years very difficult. Each change represents an attempt to more clearly identify origins and characteristics of those who identify themselves as Latino or Hispanic or of multiple races. These changes however, make it extremely difficult to accurately describe the increase or change in population characteristics from census to census.

### Population by Race and Ethnicity 1990-2008

According to the 2000 Census, persons categorizing themselves as Non-Hispanic White represented 58.3 percent of the City's population, reflecting a 1.3 percent decrease since 1990 (Table H-8). In contrast, 32,330 persons or 35 percent of the City's population identified themselves as Hispanic or Latino in 2000. This represents a 20 percent increase from 1990, when 26,920 persons or 31.5 percent of the City's population identified themselves as Hispanic or Latino.

The 2006-2008 American Community Survey estimated that between 2000 and 2008, the total City population declined by 6,238 persons or 6.8 percent, based on a population total for 2000 of 92,325 (Table H-9). Population decreases are reflected for several race categories, including American Indian and Hispanic/Latino. In contrast, population increases are shown in the Non-Hispanic White, Black/African American, and Asian/Pacific Islander categories. Non-Hispanic White residents continue to comprise the largest racial/ethnic group in the City at nearly 60 percent, followed by Hispanic residents at 32 percent.

**Table H-8: Population by Race and Ethnicity (1990 – 2008)**  
**City of Santa Barbara**

| Category                  | 1990          |               | 2000          |               | 2008          |               |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                           | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| White                     | 54,535        | 63.7%         | 53,849        | 58.3%         | 51,601        | 59.9%         |
| Hispanic Origin           | 26,920        | 31.5%         | 32,330        | 35.0%         | 27,654        | 32.1%         |
| Asian or Pacific Islander | 1,846         | 2.2%          | 2,565         | 2.8%          | 3,292         | 3.8%          |
| Two or More Races*        | N/A           | N/A           | 1,578         | 1.7%          | 1,393         | 1.6%          |
| Black or African American | 1,745         | 2.0%          | 1,418         | 1.5%          | 1,840         | 2.1%          |
| American Indian           | 355           | 0.4%          | 405           | 0.4%          | 176           | 0.2%          |
| Other Race                | 170           | 0.2%          | 180           | 0.2%          | 131           | 0.2%          |
| <b>Total</b>              | <b>85,571</b> | <b>100.0%</b> | <b>92,325</b> | <b>100.0%</b> | <b>86,087</b> | <b>100.0%</b> |

Source: 1990, 2000 Census, 2006-2008 American Community Survey

\* 1990 Census did not report this information



## EMPLOYMENT TRENDS

### City Resident Jobs by Industry 2000

Information on jobs and employment gathered during the 2000 Census is keyed to where people live. The 2000 Census reported that Santa Barbara City residents age 16 and over held 47,759 jobs in 1999. Tables H-9 reflects those jobs by industry.

**Table H-9: Employment by Industry (2000)**  
**City of Santa Barbara**

| Industry                                                 | Number        | Percent       |
|----------------------------------------------------------|---------------|---------------|
| Agriculture, forestry, fishing and hunting, and mining   | 417           | 0.9%          |
| Construction                                             | 2,696         | 5.6%          |
| Manufacturing                                            | 4,073         | 8.5%          |
| Wholesale trade                                          | 1,168         | 2.4%          |
| Retail trade                                             | 4,994         | 10.5%         |
| Transportation, warehousing, and utilities:              | 1,385         | 2.9%          |
| Information                                              | 1,914         | 4.0%          |
| Finance, insurance, real estate, rental and leasing      | 2,836         | 5.9%          |
| Professional, scientific, management, and administration | 7,031         | 14.7%         |
| Educational, health and social services                  | 10,723        | 22.5%         |
| Arts, entertainment, recreation, and services            | 6,110         | 12.8%         |
| Other services                                           | 2,883         | 6.0%          |
| Public administration                                    | 1,529         | 3.2%          |
| <b>Total</b>                                             | <b>47,759</b> | <b>100.0%</b> |
| <i>Source: 2000 Census</i>                               |               |               |

Table H-10 shows the industries where the percentages of employed City residents are less than the County and State percentages, notably in the agriculture and fishing industries. Table H-11 shows the industries where City residents were employed at a somewhat higher rate than the County or State, most significantly in the professional services industry.

**Table H-10: City Resident Employment Less Than County (2000)**

| Industry                   | City  | County | State |
|----------------------------|-------|--------|-------|
| Agriculture, Fishing       | 0.9%  | 6.7%   | 1.9%  |
| Wholesale Trade            | 2.4%  | 3.3%   | 4.1%  |
| Transportation, Utilities. | 2.9%  | 2.9%   | 4.7%  |
| Public Administration      | 3.2%  | 4.2%   | 4.5%  |
| Construction               | 5.6%  | 6.0%   | 6.2%  |
| Manufacturing              | 8.5%  | 9.7%   | 13.1% |
| Retail Trade               | 10.5% | 11.3%  | 11.2% |
| <i>Source: 2000 Census</i> |       |        |       |

**Table H-11: City Resident Employment More Than County (2000)**

| Industry                             | City  | County | State |
|--------------------------------------|-------|--------|-------|
| Information                          | 4.0%  | 3.0%   | 3.9%  |
| Finance, Insurance, and Real Estate: | 5.9%  | 5.4%   | 6.9%  |
| Other Services                       | 6.0%  | 5.4%   | 5.2%  |
| Leisure, Hospitality                 | 12.8% | 10.2%  | 8.2%  |
| Professional Services                | 14.7% | 10.8%  | 11.6% |
| Education, Health                    | 22.5% | 21.2%  | 18.5% |
| <i>Source: 2000 Census</i>           |       |        |       |

### City Resident Jobs by Occupation 2008

According to the 2006-2008 American Community Survey, the majority (67 percent) of City residents are employed in white-collar occupations, including Professional and Related Occupations, Sales and Office, and Management, Business and Financial Operations. Compared to the County of Santa Barbara, City residents held white-collar jobs at a higher rate in 2008 (Table H-12).

**Table H-12: Residents in Workforce by Occupation (2008)**  
**City vs. County of Santa Barbara**

| Occupation Category                                                          | City of Santa Barbara<br>2006-2008 |               | Santa Barbara County<br>2006-2008 |               |
|------------------------------------------------------------------------------|------------------------------------|---------------|-----------------------------------|---------------|
|                                                                              | Number                             | Percent       | Number                            | Percent       |
| Professional & Related Occupations                                           | 12,631                             | 27.2%         | 41,139                            | 21.6%         |
| Sales and Office                                                             | 11,030                             | 23.7%         | 44,433                            | 23.4%         |
| Service                                                                      | 9,527                              | 20.5%         | 40,049                            | 21.1%         |
| Management, Business & Financial Operations                                  | 7,531                              | 16.2%         | 24,509                            | 12.9%         |
| Construction, Extraction & Maintenance                                       | 3,027                              | 6.5%          | 15,722                            | 8.3%          |
| Production, Transportation & Material Moving                                 | 2,551                              | 5.5%          | 14,619                            | 7.7%          |
| Farming, Fishing & Forestry                                                  | 168                                | 0.4%          | 9,652                             | 5.1%          |
| <b>Total</b>                                                                 | <b>46,465</b>                      | <b>100.0%</b> | <b>190,123</b>                    | <b>100.0%</b> |
| <i>Source: 2006-2008 American Community Survey, Strategic Economics 2009</i> |                                    |               |                                   |               |

The City has a diverse economic base, dominated by institutional sectors and the tourism industry. More than 25 percent of City residents are employed in Education, Health Care, or Public Administration (Table H-13). Major employers in these industries include UCSB, SBCC, Santa Barbara School District, Santa Barbara Cottage Hospital, Samsam Santa Barbara Medical Foundation Clinic, and city and county governments. In addition, approximately 9 percent of residents work in Retail and 12 percent in Accommodation and Food Services (Strategic Economics 2009).

**Table H-13: Top Ten Industries That Employ City Residents (2006)**  
City of Santa Barbara

| Industry                                         | Number        | Percent       |
|--------------------------------------------------|---------------|---------------|
| Educational Services                             | 4,941         | 13.0%         |
| Accommodation and Food Services                  | 4,714         | 12.4%         |
| Health Care & Social Assistance                  | 4,202         | 11.1%         |
| Retail Trade                                     | 3,383         | 8.9%          |
| Professional, Scientific & Technical Services    | 3,088         | 8.1%          |
| Admin. & Support, Waste Mgmt & Remediation       | 2,433         | 6.4%          |
| Manufacturing                                    | 2,338         | 6.2%          |
| Other Services (including Public Administration) | 2,185         | 5.8%          |
| Construction                                     | 1,954         | 5.2%          |
| Information                                      | 1,325         | 3.5%          |
| All Other Industries                             | 7,340         | 19.4%         |
| <b>Total</b>                                     | <b>37,903</b> | <b>100.0%</b> |
| <i>Source: Strategic Economics 2009</i>          |               |               |

## HOUSEHOLD CHARACTERISTICS

### Household Composition

Household characteristics are important indicators of the type and size of housing needed. Household type, income level, special needs population all contribute to the housing needs of a community. The formation of households can be influenced by population growth, adult children leaving home, divorce, and aging of the population.

The Census Bureau has very specific definitions of households and families. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through blood, marriage or adoption, or unrelated persons sharing a single unit, such as roommates. Persons living in group quarters, such as dormitories, retirement or convalescent homes, or other group living arrangements are included in population totals, but are not considered households.

## Household Growth Trends 1990-2008

Table H-14 shows that between 1990 and 2000, the number of City households increased by 1,257, representing a slight annual increase of 0.4 percent. The 2006-2008 American Community Survey estimated the number of households residing in the City at 35,461, illustrating a decline in City households between 2000 and 2008.

**Table H-14: Household Growth Trends (1990 – 2008)**  
City of Santa Barbara

| Year                                                                  | Households | Numerical Change | Annual Percentage Change |
|-----------------------------------------------------------------------|------------|------------------|--------------------------|
| 1990                                                                  | 34,348     |                  |                          |
| 2000                                                                  | 35,605     | 1,257            | 0.4%                     |
| 2008                                                                  | 35,461     | -144             | -0.05%                   |
| <i>Source: 1990, 2000 Census, 2006-2008 American Community Survey</i> |            |                  |                          |

## Household Size

Table H-15 shows how household size has changed over time (1990 – 2008) for the City, the County of Santa Barbara and the State of California. Household size for the City increased slightly from 2.41 persons per households in 1990 to 2.47 persons per households in 2000. Countywide, household size increased to 2.8 persons per household. Statewide household size increased to 2.87 persons per household. In 2008, City household size decreased to 2.35 persons per household. Likewise, the County household size decreased to 2.72, while the State increased to 2.92 persons per household. The City's average household size remains below the County and State.

**Table H-15: Household Size (1990 – 2008)**  
City of Santa Barbara

| Year                                                                  | City Household Size | County Household Size | State Household Size |
|-----------------------------------------------------------------------|---------------------|-----------------------|----------------------|
| 1990                                                                  | 2.41                | 2.73                  | 2.79                 |
| 2000                                                                  | 2.47                | 2.80                  | 2.87                 |
| 2008                                                                  | 2.35                | 2.72                  | 2.92                 |
| <i>Source: 1990, 2000 Census, 2006-2008 American Community Survey</i> |                     |                       |                      |

## Household Income

Household income distribution for the City, County and the State as reported by the 2006-2008 American Community Survey is shown in Table H-16. Nearly 27 percent of City households earned less than \$35,000 in 2008. Approximately 28 percent of Santa Barbara County and 29 percent of State households earned less than \$35,000. Almost 28 percent of City households reported earning \$100,000 or more. In the County, it was slightly lower (26.7 percent) and in the State about the same (27.9 percent). However, the City has a slightly higher share of households earning more than \$200,000 per year. The differences between the City and County indicate that there are fewer middle-income households in the City (Strategic Economics 2009).

The median household income for the City was estimated to be \$60,788. For the County and State the median household income was estimated at \$59,850 and \$61,154 respectively. The median household income for the City and State are comparable. Both the City and State household income were slightly higher than the County.

**Table H-16: Households by Income (2008)**

| Income                                      | City of SB |         | SB County |         | California |         |
|---------------------------------------------|------------|---------|-----------|---------|------------|---------|
|                                             | Number     | Percent | Number    | Percent | Number     | Percent |
| Less than \$15,000                          | 3,942      | 11.1%   | 13,792    | 9.8%    | 1,248,099  | 10.2%   |
| \$15,000 to \$24,999                        | 2,929      | 8.3%    | 12,617    | 9.0%    | 1,141,560  | 9.4%    |
| \$25,000 to \$34,999                        | 2,676      | 7.5%    | 13,486    | 9.6%    | 1,118,718  | 9.2%    |
| \$35,000 to \$49,999                        | 4,873      | 13.7%   | 19,067    | 13.5%   | 1,541,545  | 12.7%   |
| \$50,000 to \$74,999                        | 7,271      | 20.5%   | 27,033    | 19.2%   | 2,164,891  | 17.8%   |
| \$75,000 to \$99,999                        | 3,933      | 11.1%   | 17,357    | 12.3%   | 1,568,948  | 12.9%   |
| \$100,000 to \$149,999                      | 4,801      | 13.5%   | 20,263    | 14.4%   | 1,824,962  | 15.0%   |
| \$150,000 to \$199,999                      | 2,444      | 6.9%    | 8,360     | 5.9%    | 775,108    | 6.4%    |
| \$200,000 or more                           | 2,592      | 7.3%    | 8,967     | 6.4%    | 794,021    | 6.5%    |
| Total Households                            | 35,461     | 100.0%  | 140,942   | 100.0%  | 12,177,852 | 100.0%  |
| Median HH Income                            | \$60,788   |         | \$59,850  |         | \$61,154   |         |
| Source: 2006-2008 American Community Survey |            |         |           |         |            |         |

## Population Living In Poverty

Over time, a comparison of percentage of population at or below the poverty level shows that it continues to increase. The 1980 Census reported that approximately 11 percent (8,026 persons) of the population had an income at or below the poverty level. The 1990 Census reported that poverty had increased to 13 percent (10,558 persons). The 2000 Census found that persons living at or below the poverty level increased to 13.4 percent (11,846 persons). This includes 923 children under 5 years of age; 2,228 persons between the ages of 5 and 17; 7,787 persons between 18 and 64 years of age; and 908 individuals over 65 years old. For the County as a whole, poverty was slightly higher with 14 percent (55,086 persons) of the population living at or below the poverty level.

The 2006-2008 American Community Survey reported poverty had increased to 14.2 percent (12,079) of City residents with incomes below the poverty level, representing an increase of 233 persons living in poverty since 2000. In 2009, the poverty level for a family of four was \$22,050.

## HOUSING STOCK AND MARKET CONDITIONS

### Unit Type

Table H-17 reflects the housing unit mix for the City since 1990 based on Census information. In the City, the breakdown in unit type has been very consistent over the last 30 years reflecting the City's age and historic development patterns. With 68 percent of the City's housing built prior to 1970, it is very difficult for incremental changes to affect the overall citywide numbers and patterns.

In 2000, there were just over 37,000 housing units in the City. Of those 35,605 were occupied housing units (4.2 percent vacancy rate). Total housing units include single family homes, buildings or complexes involving 2 to 4 units and buildings or complexes with 5 or more units and a category for mobile homes, boats, RVs or trailers.

The 2000 Census found that 53.7 percent (19,971) of all units were single family homes. Another 14.8 percent (5,487) of the units were in complexes of two to four units; 30.1 percent (11,200) of the units were in complexes of 5 or more units and 1.4 percent (519) of the units were in mobile homes, boats, RVs or trailers. Countywide, 65 percent of housing is comprised of single family homes.

As of January 1, 2009, the total number of housing units increased to 37,720 representing an increase of 543 units or 1.5 percent. Approximately 53.5 percent (20,193) were single family units, 15 percent (5,652) were in complexes of two to four units, 30 percent (11,357) were in complexes of 5 or more units, and 1.4 percent (518) were in mobile homes, boats RVs or trailers. Based on these counts, housing type trends have remained relatively static since 2000.

**Table H-17: Housing Units and Type (1990 – 2009)**  
**City of Santa Barbara**

| Housing Type             | 1990          |               | 2000          |               | 2009          |               |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                          | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| Single Family            | 19,397        | 53.5%         | 19,971        | 53.7%         | 20,193        | 53.5%         |
| Multi-Family 2 - 4 Units | 5,114         | 14.1%         | 5,487         | 14.8%         | 5,652         | 15.0%         |
| Multi-Family 5+ Units    | 10,574        | 29.2%         | 11,200        | 30.1%         | 11,357        | 30.1%         |
| Mobile Home & Other      | 1,141         | 3.1%          | 519           | 1.4%          | 518           | 1.4%          |
| <b>Total</b>             | <b>36,226</b> | <b>100.0%</b> | <b>37,177</b> | <b>100.0%</b> | <b>37,720</b> | <b>100.0%</b> |

*Source: 1990, 2000 Census, Department of Finance 2009*



## Households by Tenure

Table H-18 illustrates the occupied housing units in the City and the percentage breakdown of renter and owner occupied housing units. The breakdown has remained constant over time with approximately 58 percent of units being renter-occupied and 42 percent of the City's units being owner-occupied. The City has a lower rate of owner-occupancy than the rest of Santa Barbara County and that of California as a whole. In 2008, only 41.3 percent of occupied units in the City were owner-occupied, while the County and State had owner-occupancy rates of 54 percent and 58 percent, respectively.

One explanation for the lower rate of City home ownership, compared to the County and State, is the high housing prices in the South Coast region. Additionally, while there is no way to make a clear distinction, it is interesting to note that close to 54 percent of the City's housing stock is single family homes yet only 41 percent of all occupied units are owner occupied. Therefore, many single family homes are part of the City's rental housing stock

**Table H-18: Households by Tenure (1990 – 2008)**  
**City of Santa Barbara**

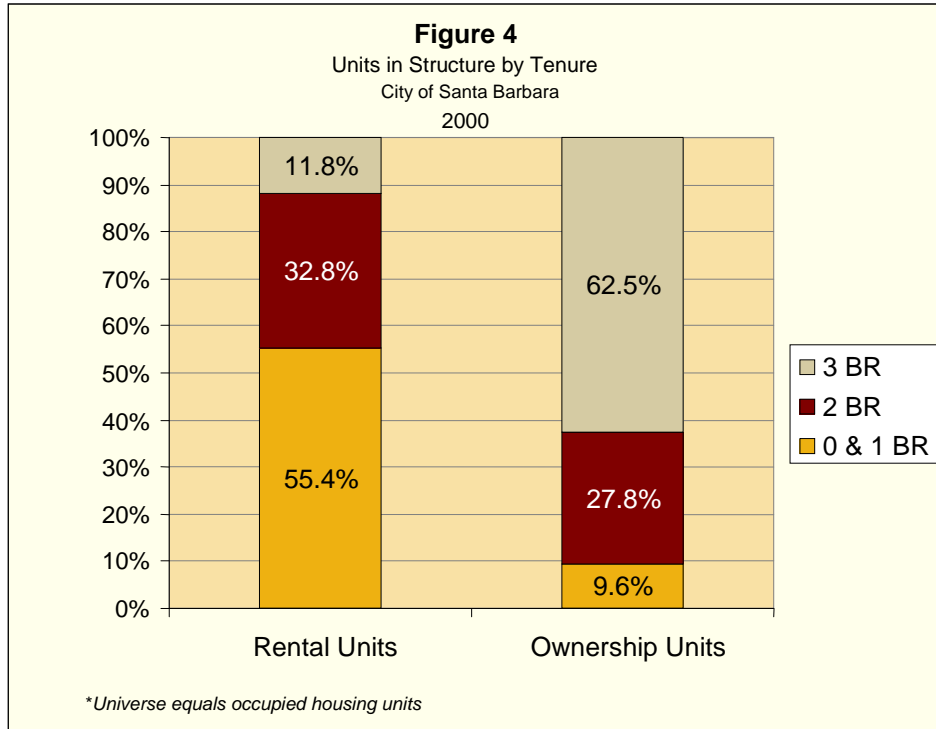
| Tenure                                                         | 1990          |               | 2000          |               | 2006-2008     |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                | Number        | Percent       | Number        | Percent       | Number        | Percent       |
| Owner                                                          | 14,483        | 42.2%         | 14,957        | 42.0%         | 14,659        | 41.3%         |
| Renter                                                         | 19,865        | 57.8%         | 20,648        | 58.0%         | 20,802        | 58.7%         |
| <b>Total Occupied</b>                                          | <b>34,348</b> | <b>100.0%</b> | <b>35,605</b> | <b>100.0%</b> | <b>35,461</b> | <b>100.0%</b> |
| Vacancy Rate                                                   | 5.2%          |               | 4.0%          |               | 6.9%          |               |
| Source: 1990, 2000 Census, 2006-2008 American Community Survey |               |               |               |               |               |               |

## Vacancy Rate

In 1990, 1,878 units (5.2 percent) were identified as vacant in the city. In 2000, that number was down to 1,471 units (4.0 percent). From 2000 to 2008, the number of vacant housing units nearly doubled from 1,471 to 2,617 units, and the vacancy rate climbed from 4.0 percent to 6.9 percent. According to the Department of Housing and Urban Development (HUD), a vacancy rate of 5.0 percent is sufficient to provide choice and mobility. Given the strong market demand for housing in recent years, the increase in vacant units may be attributed to the proliferation of second-home and investor-owned units (Strategic Economics 2009).

## Unit Size

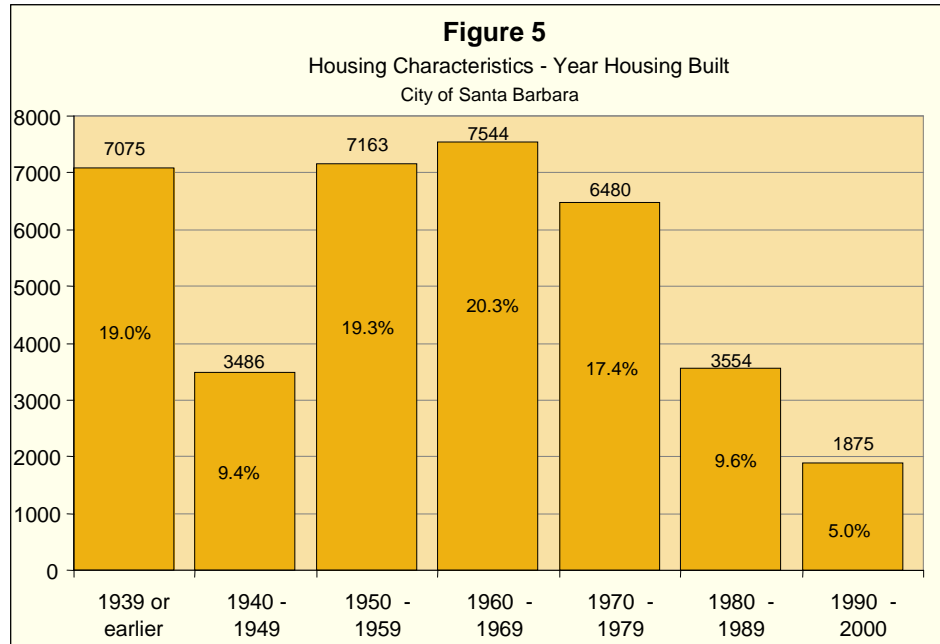
Another important characteristic of the City's housing supply is the size of units with respect to number of bedrooms. Of the City's housing units, 36.2 percent are studio or 1-bedroom units, 30.7 percent are 2-bedroom units and 33.1 percent are 3-bedrooms or larger. When this is examined by whether the units are renter or owner occupied, the following picture emerges as shown in Figure 4. Of the rental housing units in the City, 55.4 percent are studios and 1-bedrooms, 32.8 percent are 2-bedroom units and 11.8 percent are 3 bedrooms and larger. Of the owner occupied units, 9.6 percent are studios or 1-bedroom units, 27.8 percent are 2-bedroom units and 62.5 percent or 3-bedrooms or larger units.



More recent unit size trends reported through the 2006-2008 American Community Survey indicate that 29.6 percent of the City's occupied housing units are studio or 1-bedroom units, 34.5 percent are 2-bedroom units and 35.8 percent are 3-bedrooms or larger units. These estimates reflect a decrease in the overall number of studio and 1-bedroom units, and an increase in the number of 2-bedroom or larger units occupied in the City since 2000.

### Age of Housing Stock

Figure 5 shows the year housing was built in the City of Santa Barbara as reported in the 2000 census. Approximately 68 percent of the City's housing stock was built prior to 1970. This raises an issue with respect to housing maintenance. Lack of maintenance can discourage reinvestment, and can result in depressed neighborhood property values and reduced quality of life in the community. Generally, residential structures begin to show signs of deterioration as they approach 30 years. Housing units older than 30 years typically need rehabilitation work to major elements of the structures, such as roofing, siding, plumbing and electrical systems.



## Housing Conditions

Using the 2006-2008 American Community Survey information and a windshield survey of two of the larger, older residential neighborhoods, a sample of information on housing conditions was prepared.

The age of housing in Santa Barbara is one indicator of the overall housing conditions. Many state and federal programs use age of housing to determine the availability of funds for housing or community development. A significant measure of housing age is the number of units built before 1949. According to the 2006-2008 American Community Survey, 12,172 housing units in the City were built prior to 1949. In addition, 452 units in the City were reported to lack complete kitchen facilities and 56 units lacked complete plumbing facilities.

In December 2009, City Building Inspectors performed a windshield survey of two residential neighborhoods known for containing a large number of older housing units. One survey area was located in the “Eastside” neighborhood and one survey area was located in the “Westside” neighborhood. The inspectors surveyed the housing units for the exterior condition of foundation, framing members, roof coverings, windows, exterior weatherproofing (walls) and electrical service. The condition of these elements was rated from “fair/good condition” to “replacement needed”. Based on these ratings, the units were determined to be in “sound” to “dilapidated” condition.

The Westside survey area included 278 housing units (Table H-19). The majority of the units were single family dwellings, followed by duplex units, and multi-family unit complexes. Of the 278 units surveyed, 29 units were found to be in moderate or substantial need of repair. None of the units surveyed were considered to be dilapidated.

**Table H-19: Housing Condition Survey: Westside (2009)**  
City of Santa Barbara

| Housing Type                                        | Sound      | Minor     | Moderate  | Substantial | Dilapidated | Total      |
|-----------------------------------------------------|------------|-----------|-----------|-------------|-------------|------------|
| Single                                              | 127        | 33        | 20        | 4           | 0           | 184        |
| Duplex                                              | 31         | 7         | 2         | 2           | 0           | 42         |
| Multi-family                                        | 46         | 5         | 1         | 0           | 0           | 52         |
| <b>Total</b>                                        | <b>204</b> | <b>45</b> | <b>23</b> | <b>6</b>    | <b>0</b>    | <b>278</b> |
| Percent                                             | 73%        | 16%       | 8%        | 2%          | 0%          |            |
| <i>Source: 2009 City Building Inspection Survey</i> |            |           |           |             |             |            |

The Eastside survey area included 151 housing units (Table H-20). Of the 151 housing units surveyed, the majority of the units (118) were single family dwellings, followed by duplex units, and multi-family unit complexes, similar to the Westside survey area. In the Eastside survey, 15 units were found to be in moderate or substantial need of repair. None of the units surveyed were considered dilapidated.

**Table H-20: Housing Condition Survey: Eastside (2009)**  
City of Santa Barbara

| Housing Type                                        | Sound      | Minor     | Moderate  | Substantial | Dilapidated | Total      |
|-----------------------------------------------------|------------|-----------|-----------|-------------|-------------|------------|
| Single                                              | 94         | 11        | 11        | 2           | 0           | 118        |
| Duplex                                              | 17         | 3         | 1         | 0           | 0           | 21         |
| Multi-family                                        | 10         | 1         | 1         | 0           | 0           | 12         |
| <b>Total</b>                                        | <b>121</b> | <b>15</b> | <b>13</b> | <b>2</b>    | <b>0</b>    | <b>151</b> |
| Percent                                             | 80%        | 10%       | 9%        | 1%          | 0%          |            |
| <i>Source: 2009 City Building Inspection Survey</i> |            |           |           |             |             |            |

The survey concluded that 44 out of a total 429 units, or 10 percent of the surveyed units, are in need of moderate or substantial repair. Housing units rated as needing “substantial” repair can be an indicator that those units may be in need of rehabilitation or replacement.

## Housing Costs

Table H-21 shows the level of payment for housing as a percentage of household income for homeowners and renters in the City of Santa Barbara as reported by the 2000 Census. Approximately 43 percent of all homeowners pay only 19 percent or less of their total household income for housing costs, while approximately 36 percent of all homeowners pay 30 percent or more. In contrast, about 24 percent of renter households pay 19 percent or less of their total household income for housing costs and over half (51.6 percent) pay 30 percent or more of household income for housing.

**Table H-21: Housing Cost as a Percentage of Household Income (2000)**  
**City of Santa Barbara**

| Owner-Occupied Units       |                 |                      |                    |                     |                     |                   |
|----------------------------|-----------------|----------------------|--------------------|---------------------|---------------------|-------------------|
| Income Range               | Total Household | % of Total Household | 0-19% of HH Income | 20-29% of HH Income | 30-34% of HH Income | 35+% of HH Income |
| \$0-10,000                 | 299             | 2.4%                 | 8                  | 23                  | 0                   | 268               |
| \$10,000-19,999            | 586             | 4.7%                 | 158                | 82                  | 38                  | 308               |
| \$20,000-34,999            | 1,471           | 11.7%                | 634                | 172                 | 69                  | 596               |
| \$35,000-49,999            | 1,677           | 13.4%                | 643                | 176                 | 100                 | 758               |
| \$50,000-74,999            | 2,343           | 18.8%                | 834                | 385                 | 250                 | 874               |
| \$75,000+                  | 6,096           | 48.9%                | 3,140              | 1,749               | 384                 | 823               |
| <b>Subtotal</b>            | <b>12,472</b>   | <b>100.0%</b>        | <b>5,417</b>       | <b>2,587</b>        | <b>841</b>          | <b>3,627</b>      |
| Renter-Occupied Units      |                 |                      |                    |                     |                     |                   |
| \$0-10,000                 | 2,056           | 10.3%                | 47                 | 136                 | 110                 | 1,763             |
| \$10,000-19,999            | 2,881           | 14.4%                | 98                 | 207                 | 148                 | 2,428             |
| \$20,000-34,999            | 4,327           | 21.7%                | 232                | 695                 | 719                 | 2,681             |
| \$35,000-49,999            | 3,761           | 18.9%                | 549                | 1,681               | 650                 | 881               |
| \$50,000-74,999            | 3,550           | 17.8%                | 1,360              | 1,455               | 309                 | 426               |
| \$75,000+                  | 3,377           | 16.9%                | 2,467              | 722                 | 127                 | 61                |
| <b>Subtotal</b>            | <b>19,952</b>   | <b>100.0%</b>        | <b>4,753</b>       | <b>4,896</b>        | <b>2,063</b>        | <b>8,240</b>      |
| <b>Total</b>               | <b>32,424</b>   | <b>N/A</b>           | <b>10,170</b>      | <b>7,483</b>        | <b>2,904</b>        | <b>11,867</b>     |
| <i>Source: 2000 Census</i> |                 |                      |                    |                     |                     |                   |

## Home Price Trends

Because of limited supply and increasing demand, housing costs in Santa Barbara have continued to climb up until the recent economic downturn in 2008. According to the 2008 Santa Barbara County Economic Outlook, published by the UCSB Economic Forecast Project, the Santa Barbara County median home price in 2007 was \$771,463. This price doubled from the 2001 median home price of \$335,540. In comparison, in 2007 the median home price in California was \$555,623.

Although the residential real estate market in the Santa Barbara area has fared better than the State as a whole, the recent economic downturn has also resulted in lower home sale prices in the City. In 2007 the City's median sales price for a single family residence in the area east of State Street was \$1,212,000 and \$1,015,000 for the area west of State Street. As of February 2008, the median price for a single family residence located east of State Street dropped slightly to \$1,175,000. Home prices for single family residences located west of State Street dropped slightly more to \$800,000. Median home prices in Santa Barbara have continued to decline steadily, with the Santa Barbara Association of Realtors reporting that as of October 2009, the median home sales price in the City dropped to \$826,375.

Condominiums offer home buyers a lower-priced alternative to the higher-priced single family homes. The 2008 Santa Barbara County Economic Outlook report identified the median condominium sale price east of State Street at \$675,000, representing a 25 percent decrease in median sales price (\$905,530) from 2007. For condominiums located west of State Street, the median sales price was reported at \$685,000 in 2008, representing a slight increase from 2007 when the median sales price was reported to be \$642,417.

### Rents and Vacancy Rate

Information regarding rental housing indicates that average rents in the City are well above the accepted standard of income percentage (30 percent) for low income households. Vacancy rates in the City rental market were approximately 5 percent in 2009 compared to less than 3 percent in 2004. Current average rental prices for the City are described in Table H-22:

**Table H-22: Rental Prices (2009)**  
**City of Santa Barbara**

|                                           | Studio   | 1 Bedroom | 2 Bedrooms | 3-Bedrooms |
|-------------------------------------------|----------|-----------|------------|------------|
| Average Monthly Rent (2009)               | \$995    | \$1,442   | \$1,700    | \$2,300    |
| Average Annual Unit Cost                  | \$11,940 | \$17,304  | \$20,400   | \$27,600   |
| <i>Source: City of Santa Barbara 2009</i> |          |           |            |            |

## ASSESSMENT OF “AT RISK” ASSISTED UNITS

### Statutory Requirements

Section 65583(a)(8) of the Government Code requires that the Housing Element analyze:

“Existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions.”

“Assisted housing developments” are defined in State law as:

“Rental housing that receives government assistance under federal programs, state and local multi-family revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees, and multi-family rental units that were developed pursuant to local inclusionary housing programs or used to qualify for a density bonus.”



### **Affordable Housing Units “At Risk”**

As of December 2009, there are over 5,200 affordable housing units in the City of Santa Barbara, of which about 3,855 or 73 percent are affordable rental housing units. Nearly 2,000 of these affordable rental housing units involve federal rental housing subsidies (see Section 8 Program below). The remaining affordable rental housing units were subsidized with public funds (federal, state and local) that the City administers (see City of Santa Barbara’s Affordable Housing Program below). With direct financial assistance from the US Department of Housing and Urban Development (HUD), the City’s Housing Authority has constructed and now owns and manages nearly 500 units in the form of public housing for low and very low-income households. These affordable public housing units are strictly controlled by HUD and are not considered to be at risk of being sold or converted to market rate housing.

### **At-Risk Affordable Rental Housing Program**

Except for the public housing and other Housing Authority units, the City does not own any affordable housing units. In return for the financial assistance the City provides, the developer/owners of the City’s affordable housing stock are required to make the units affordable to low income households for a specified period of time. The City provides most of its financial assistance to local nonprofit organizations, since few for-profit firms have approached the City for assistance in building affordable housing. Regardless of whether they are for profit or nonprofit, all developer/owners sign affordability covenants that specify allowable rent and income levels for the project.

Upon expiration of a project’s affordability controls, the affordable units are at risk of being sold or converted to market rate housing. Based on a thorough review of the City’s database records, the affordable rental housing projects listed below in Table H-23 have affordability controls that will expire during the next 10 years (2010 through 2019). There are 24 projects with 470 units. Two projects with 218 units are senior housing developments; the remaining 252 units are in non-senior developments.

**Table H-23: Projects With Affordable Rental Housing At Risk (2010-2019)**  
**City of Santa Barbara**

| Address<br>(Project Name)                | Owner                                 | Affordable<br>Units | Funding Sources                   | Earliest<br>Exp. Date |
|------------------------------------------|---------------------------------------|---------------------|-----------------------------------|-----------------------|
| 232 E. Canon Perdido                     | Council on Alcoholism                 | 1                   | Zoning Mod <sup>1</sup>           | 2010                  |
| 126 E. Canon Perdido                     | SB Trust for Historic<br>Preservation | 1                   | RDA <sup>2</sup><br>(non-housing) | 2010                  |
| 818 N. Salsipuedes                       | Private                               | 6                   | Zoning Mod                        | 2012                  |
| 2612 Modoc (Sarah House)                 | Aids Housing Santa Barbara            | 10                  | RDA, HOME <sup>3</sup>            | 2013                  |
| 417 Santa Fe (SHIFCO)                    | SB Housing Authority                  | 107                 | Below Mkt Sale /<br>HOME          | 2013                  |
| 625-629 Coronel                          | SB Community Housing Corp             | 20                  | RDA, CDBG <sup>4</sup>            | 2014                  |
| 1018-1028 Castillo                       | SB Community Housing Corp             | 32                  | RDA, CDBG,<br>HCD                 | 2015                  |
| 1420 Kenwood                             | City Parks & Recreation               | 1                   | CDBG                              | 2015                  |
| 910 E. Haley                             | Private                               | 1                   | Zoning Mod                        | 2016                  |
| 1426 Euclid                              | Private                               | 1                   | Zoning Mod                        | 2016                  |
| 620-652 Castillo                         | SB Community Housing Corp             | 17                  | RDA, CDBG                         | 2016                  |
| 401-404 Transfer                         | SB Housing Authority                  | 8                   | RDA                               | 2016                  |
| 1511 Bath                                | Private                               | 2                   | RDA                               | 2016                  |
| 227-C E. De la Guerra                    | Private                               | 1                   | Zoning Mod                        | 2016                  |
| 224 W. Ortega                            | SB Housing Authority                  | 6                   | RDA, HOME                         | 2017                  |
| 222 W. Micheltorena                      | Private                               | 12                  | Zoning Mod                        | 2017                  |
| 209 W. Cota                              | Private                               | 6                   | RDA                               | 2017                  |
| 905 Veronica Springs                     | Private                               | 1                   | Zoning Mod                        | 2017                  |
| 125 W. Carrillo<br>(Hotel de Riviera)    | SB Community Housing Corp             | 31                  | RDA                               | 2018                  |
| 201-203 Hitchcock<br>(Rancho Franciscan) | Private                               | 111                 | Zoning Mod                        | 2018                  |
| 3030 De la Vina (Firehouse)              | SB Housing Authority                  | 30                  | HOME                              | 2018                  |
| 811-815 N. Salsipuedes                   | Private                               | 13                  | RDA                               | 2018                  |
| 1215 Cacique                             | Private                               | 5                   | Zoning Mod                        | 2019                  |
| 1200 Punta Gorda                         | SB Community Housing Corp             | 47                  | RDA                               | 2019                  |
| <b>Total: 24 Projects</b>                |                                       | <b>470</b>          |                                   |                       |

Source: City of Santa Barbara 2009

<sup>1</sup> Zoning Mod does not stand for any source of funding, but rather for modifications to the City's zoning code that were granted in return for the dedication of affordable housing units.

<sup>2</sup> RDA stands for the City's Redevelopment Agency Housing Set-Aside funds.

<sup>3</sup> HOME stands for the federal Home Investment Partnerships Program.

<sup>4</sup> CDBG stands for the federal Community Development Block Grant Program.

As indicated in the Assessment of Conversion Risk section below, nonprofit owners are considerably more likely than for-profit owners to maintain affordable housing units beyond the expiration of affordability controls. Fortunately, most of the at-risk affordable rental units (66 percent) are owned by nonprofit organizations.

The majority of the at-risk affordable rental units owned by for-profit firms (70 percent) are located within one project – Rancho Franciscan. This 111-unit project is a senior housing development that is restricted to moderate income households. While the rent and income restrictions expire in 2018, the restrictions for senior housing continue for the life of the project. The project’s affordability is not expected to change significantly for several reasons: 1) the current restrictions to moderate income rents approximate market rents, 2) the senior housing restrictions will continue, and 3) the owner is a highly-regarded developer who is active in local philanthropy, serves on boards and advisory groups to several local nonprofit organizations, and participates in the Section 8 rental subsidy program for low income residents at Rancho Franciscan and other developments.

The remaining 48 at-risk affordable rental units owned by for-profit firms are located in 10 projects. Most projects (7 of the 10) did not receive any local subsidy funding to develop the affordable units, but did receive zoning modifications in the form of density bonus that resulted in mixed-income developments. In some projects (2 of the 10), the owners actively participate in the Section 8 rental subsidy program. Both projects are mixed-income. One project (818 N. Salsipuedes) consists of 15 units, of which 6 are restricted, yet the owner has 12 low income tenants under the Section 8 program. The other project (1511 Bath) consists of 10 units, of which 2 are restricted, yet the owner has 8 low income tenants under the Section 8 program.

### **At-Risk Affordable Ownership Housing**

The City also provides affordable ownership housing opportunities for moderate-income households. Most of the early ownership projects were developed by two nonprofit organizations, Homes for People and Santa Barbara Community Housing Corporation, with financial assistance from the City and its Redevelopment Agency. Covenants on units in these projects were typically 30-year covenants. Should the owner sell before the 30-year term concluded, then the next owner would sign on for a new 30-year covenant (up to a maximum 60-year period of affordability).

Listed below in Table H-24 are 13 ownership projects in which covenants for individual ownership units could expire during the next ten years (2010 through 2019). The 13 ownership projects constitute a total of 173 affordable units. Only 62 of the units have covenants that could expire during the next 10 years; the covenants for the remaining 111 units will not expire until later (since these units were sold to new qualifying homeowners before the end of their affordability period). It is possible that owners in some of the 62 units with expiring covenants may end up selling before the end of their affordability period, which would trigger an additional period of affordability up to a maximum of 60 years.

Most of the new affordable ownership housing projects are currently built by for-profit developers without financial assistance from the City or its Redevelopment Agency. The projects are built pursuant to Inclusionary Housing requirements and Density Bonus incentives. Affordability periods have been extended to 45 years (which “roll” upon resale to a maximum affordability period of 90 years).

**Table H-24: Projects With Affordable Ownership Housing At Risk (2010-2019)**  
**City of Santa Barbara**

| Address<br>(Project Name)                               | At Risk<br>Units | Total #<br>Affordable<br>Units | Funding<br>Sources                       | Earliest<br>Exp. Date |
|---------------------------------------------------------|------------------|--------------------------------|------------------------------------------|-----------------------|
| Scattered Sites                                         | 6                | 6                              | HOME <sup>1</sup>                        | 2011                  |
| 412-20 N. Voluntario<br>(Las Casitas/Voluntario Co-ops) | 13               | 13                             | CDBG <sup>2</sup> , City<br>General Fund | 2011                  |
| Gillespie/Victoria (Unit One)                           | 2                | 2                              | CDBG, City<br>General Fund               | 2012                  |
| Via Diego/Via Rosa (La Colina Village)                  | 9                | 50                             | RDA <sup>3</sup> , HOME                  | 2015-18               |
| 2009-11 Elise Way (Mara Villa)                          | 2                | 6                              | RDA                                      | 2016                  |
| 3500 Modoc (Arroyo Verde)                               | 4                | 14                             | Zoning Mod <sup>4</sup>                  | 2016                  |
| 22 N. Voluntario (Los Sueños)                           | 3                | 6                              | RDA                                      | 2016-19               |
| 329 W Ortega                                            | 1                | 3                              | RDA                                      | 2017                  |
| 2-12 S. Voluntario (Campo Feliz)                        | 8                | 18                             | RDA                                      | 2018                  |
| 3700 Gregory Way (Franciscan Villas)                    | 11               | 46                             | Zoning Mod                               | 2018                  |
| 919 Bath (Old Vic)                                      | 1                | 3                              | RDA                                      | 2019                  |
| 414 W. De la Guerra (Casa Chula)                        | 1                | 5                              | RDA                                      | 2019                  |
| 506 W. Islay (Islay West)                               | 1                | 1                              | Zoning Mod                               | 2019                  |
| <b>Total: 13 Projects</b>                               | <b>62</b>        | <b>173</b>                     |                                          |                       |

Source: City of Santa Barbara 2009

<sup>1</sup> HOME stands for the federal Home Investment Partnerships Program.

<sup>2</sup> CDBG stands for the federal Community Development Block Grant Program.

<sup>3</sup> RDA stands for the City's Redevelopment Agency Housing Set-Aside funds.

<sup>4</sup> Zoning Mod does not stand for any source of funding, but rather for modifications to the City's zoning code that were granted in return for the dedication of affordable housing units.

### Affordable Housing Projects with Expired Affordability Covenants

There are six projects with a total of 32 units where affordability covenants have expired since the City's last Housing Element Update (from 2000 through 2009). The six projects (all rentals) are listed in Table H-25 below. Fifty percent of the 32 units are located in a single project owned by a nonprofit organization that will continue to maintain the units as affordable housing for its developmentally disabled clients, as part of the nonprofit organization's mission. Of the five projects owned by for-profits, two received modest rehabilitation loans from the City, two received density bonus zoning modifications (but no City funds), and one received a small (\$90,000) Redevelopment Agency loan for constructing two affordable units. The terms of the affordability covenants ranged from 10 and 15 years for the modest rehabilitation loans to 30 years for the newly constructed units.

Ten years ago the City changed its policies to extend the affordability period for rental projects from 30 to 60 years. The City's policies were recently changed again to further extend the affordability period to 90 years.

**Table H-25: Affordable Housing With Expired Affordability Covenants (2000 – 2009)**  
City of Santa Barbara

| Address<br>(Project Name)                 | Affordable Units | Status                                                                                                                                                                                                                                               |
|-------------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7065-67 Marymount                         | 2                | Affordability covenant with private owner expired in 2000.                                                                                                                                                                                           |
| 524 N. Alisos                             | 7                | Affordability covenant with private owner expired in 2001.                                                                                                                                                                                           |
| 1920 Chino                                | 16               | Affordability covenant with local non-profit organization expired in 2003. However, the organization continues to rent the units to its developmentally disabled clients and currently participates in the Section 8 Program for low-income persons. |
| 739 E. Victoria                           | 4                | Affordability covenant with private owner expired in 2004.                                                                                                                                                                                           |
| 432 W. Valerio                            | 2                | Affordability covenant with private owner expired in 2006.                                                                                                                                                                                           |
| 520 E. De la Guerra                       | 1                | Affordability covenant with private owner expired in 2004.                                                                                                                                                                                           |
| <b>Total: 6 Projects</b>                  | <b>32</b>        |                                                                                                                                                                                                                                                      |
| <i>Source: City of Santa Barbara 2009</i> |                  |                                                                                                                                                                                                                                                      |

### Monitoring At-Risk Affordable Units

All affordable housing units are monitored throughout the affordability period established as part of their recorded affordability covenants. No later than 12 months prior to the expiration of an affordability covenant for rental properties, the property owner is contacted to discuss and identify ways to extend the affordability period.

If the affordability period is not extended, notices are sent to tenants with information regarding the impending expiration of the affordability period. Tenants are made aware that rents could be raised and are provided information on rules established by State law regarding rent increases, noticing requirements, City mediation services and other affordable housing providers in the area.

Implementation Action H21.1 is included in the Goals, Policies and Implementation section of this Element to monitor and preserve at-risk affordable housing units in order to maintain the affordability of existing units that serve low and moderate income households.

### Assessment of Conversion

As enumerated above in Table H-23 and Table H-24, there are 24 affordable rental housing projects with 470 at-risk units, and 13 affordable ownership housing projects with 62 at-risk units. Affordable rental housing units under for-profit ownership are perceived as being at higher risk of conversion to market rate housing when affordability controls expire. This is in contrast to the affordable housing units owned by nonprofit organizations. Most of the at-risk affordable rental housing units (66 percent) are owned by nonprofit organizations.

The affordable rental housing units considered at the highest risk of conversion are the remaining 159 units that are owned by for-profit firms. Fortunately, 137 of these 159 units (86 percent) are located in projects where either tenancy restrictions (such as senior housing) will continue for the life of the project, or the owner actively participates in the Section 8 Program (or both).

The City has taken steps to prolong the life of affordable housing units. As mentioned above, the term for new affordability covenants is now 90 years. The City also works nearly exclusively with nonprofit firms for the creation of its affordable rental housing, which effectively extends the affordability period in perpetuity (or at least for as long as the nonprofit organization is in existence). With the exception of secondary dwelling units, every affordable rental unit created over the last decade in Santa Barbara was created by a nonprofit organization.

The City relies mostly on for-profit firms to create the affordable ownership housing through density bonus incentives and inclusionary housing requirements. Covenant terms for ownership units were also recently extended and are now capped at 90 years.

### **Qualified Entities and Resources to Preserve “At-Risk Units”**

As described above, the entities most qualified to preserve at-risk units are nonprofit organizations. This City currently works with five non-profit organizations, whose sole mission is to create and preserve affordable housing for low and moderate income people. The City works nearly exclusively with these nonprofits in its programs to create affordable rental housing.

The Section 8 Housing Choice Voucher Program is a valuable resource that helps preserve at-risk units. Both nonprofit organizations and for-profit firms participate in this program, which is operated by the City’s Housing Authority. Under this program, federal funds are used to help low income households pay rent for market rate housing. Under this program, eligible households find their own apartments and the property owners receive direct payments equal to the difference between the market rent and the tenant’s contribution to the rent (30 percent of household income). There are currently 1,955 units that are now affordable to low income households under this program.

The Section 8 Program has been in existence since 1975. While funding for the program is always subject to federal budget decisions made in Congress, the number of vouchers received by the Housing Authority has never decreased in the history of the program. The City Housing Authority believes that there will continue to be sufficient Section 8 vouchers for all of the City projects that have recorded affordability conditions, but the number of vouchers available for use with private landlords may vary, depending on federal funding levels. The City and the City Housing Authority will continue to advocate for continued full funding of the Section 8 Housing Choice Voucher Program.

### **Estimated Replacement Costs**

Producing affordable housing in Santa Barbara is very expensive. Low income rents simply do not support the conventional financing needed to acquire property and build affordable housing. Deep subsidies are required. Land costs are high, even in areas with high concentrations of low income households. Nevertheless, the City actively seeks both new construction and acquisition/rehabilitation opportunities and works closely with non-profit developers to leverage additional funds and limit the need for local subsidy funds.

Based on new construction figures for the next affordable housing project to be built in the City, the total development cost is \$321,000 per unit. In leveraging other funds, such as tax-exempt bond financing, conventional loans, and contributions from the developer, the City subsidy was kept to \$100,000 per unit.

Acquisition/rehabilitation projects are also expensive. The most recent project had a total development cost of \$277,500 per unit (a small project without any economies of scale), which required a City subsidy of \$143,000 per unit (additional funds, like tax credits, were not available).

### Financial Resources for Replacement Housing

The City is proud of its affordable housing record. Since 1973, the City has provided approximately \$118 million in grants and loans for the production and preservation of about 3,900 affordable housing units. As detailed below, the City receives affordable housing funds from a number of sources. Only a very small portion of these funds would be necessary to replace the 21 affordable rental units identified above as being at a higher risk of conversion. The remainder of the funds will be used to continue the City's strong commitment to providing affordable housing.

### The City's Redevelopment Agency Housing Set-aside Funds

State law requires that Redevelopment Agency housing set-aside funds be used to produce affordable housing that serves low and moderate income households. The City has recently invested \$21.6 million on five affordable housing projects intended to serve special needs/homeless populations with low, very low, and extremely low income levels. Table H-26 lists the five affordable housing projects totaling 235 units.

**Table H-26: Affordable Housing Projects Using Set-Aside Funds**

| Project                                   | Status          | Amount (Millions) | Low       | Very Low   | Extremely Low | Total Units |
|-------------------------------------------|-----------------|-------------------|-----------|------------|---------------|-------------|
| El Carrillo                               | Completed       | \$1.8             | 0         | 54         | 7             | 61          |
| Building Hope                             | Completed       | \$6.7             | 9         | 19         | 22            | 50          |
| Artisan Court                             | Completed       | \$5.2             | 6         | 32         | 17            | 55          |
| Mom's Place                               | Construction    | \$1.5             | 2         | 6          | 8             | 16          |
| Bradley Studios                           | Pre-development | \$6.4             | 10        | 27         | 16            | 53          |
| <b>Total</b>                              |                 | <b>\$21.6</b>     | <b>27</b> | <b>140</b> | <b>68</b>     | <b>235</b>  |
| <i>Source: City of Santa Barbara 2009</i> |                 |                   |           |            |               |             |

At the end of Fiscal Year (FY) 2010, the City has an uncommitted balance of approximately \$6.9 million in Redevelopment Agency housing funds. For FY 2011, the City expects to receive approximately \$20 million in RDA tax increment financing of which 20 percent (\$4 million) must be spent on affordable housing. After expenses related to a 2005 affordable housing project bond, the City expects to have an additional \$2.6 million available for new housing projects. Thereafter, for FY 2012 through FY 2014, a 2 percent annual increase in funds totaling \$17.9 million would accrue for new housing projects.

These funds will be used for new construction, rehabilitation, and site acquisition for the development of housing units affordable to extremely low, very-low, low, and moderate income households. The majority of this housing would be rental units created in partnership with local nonprofit developers.



### **Federal Home Investment Partnerships (HOME) Program Funds**

The City is a Participating Jurisdiction under the HOME Program and has received funding since the inception of the program in 1992. Allocations over the last 10 years have varied, but generally range from \$800,000 to \$900,000. By law, HOME funds must be spent on producing or preserving housing for low and very low-income households.

### **Federal Community Development Block Grant (CDBG) Funds**

The City is a CDBG Entitlement Area and receives an annual allotment of funds accordingly. The City receives a little over \$1 million annually. The funds must benefit low and very low-income individuals. The City spends most of its CDBG funds on housing rehabilitation, capital improvements and related social services.

### **State Housing Enabled by Local Partnership (HELP) Funds**

In 1999, the City was awarded a ten-year HELP loan in the amount of \$750,000 by the State of California Housing Finance Agency. The funds are used to provide predevelopment assistance for affordable housing projects targeted to low income downtown workers. The City established a revolving loan that benefited the construction of 163 affordable rental housing units. The HELP loan was repaid to the State in 2009.

## **HOUSING NEEDS**

This section describes the City of Santa Barbara's housing needs. It provides a general assessment of overall needs based primarily on census data. The special needs analysis looks at housing needs for groups of people who are likely to be least able to compete for housing in the private market, including the disabled, elderly, large households, farmworkers, low-income households and the homeless. Information is provided on household and family incomes including an analysis of households overpaying for housing, and a summary of the Housing Authority Waiting list for subsidized housing. A discussion is also presented of middle-income housing needs, and College and University Housing. Programs and policies to address the identified housing needs are presented in the Goals, Policies and Implementation section of the Housing Element.

### **Special Housing Needs Groups**

Certain segments of the population have more difficulty finding decent and safe housing due to special circumstances. These circumstances could relate to family type, household size, disability or other household characteristics such as employment or limited/fixed income. Some groups may need special physical configurations, or support services. All special needs groups generally have difficulty competing for housing in a market where housing costs are steadily increasing. State law has specific requirements for assessing the needs of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter."

This section identifies more specifically the needs of these groups, which often overlap and compete for the same type of housing. The most common and overriding need among the groups is for subsidized, affordable housing. In general, these special needs housing groups have been identified due to their limited incomes and inability to compete in the private sector housing market.



## **Elderly**

According to the 2000 Census, there were approximately 35 million persons aged 65 years and older residing in the United States, representing approximately 12 percent of the Country's total population. The number of elderly persons is expected to continue to increase due to the aging "Baby Boom" generation, lower birth rates and longer life expectancies. Persons aged 65 years and older are projected to comprise more than 14 percent of the total U.S. population by 2010, and reach 22 percent (or 65 million) by 2030.

Housing affordability is an important consideration for older residents, as they typically live on fixed incomes. This population (age 65 and older) often has special needs related to housing, such as particular construction and location requirements to facilitate mobility and access. For instance housing units may require ramps, handrails, lower cabinets, and counters to allow greater access and mobility. In addition, due to limited mobility, seniors need close proximity and access to public facilities (e.g., medical and shopping) as well as public transit. Housing for this age group is often constructed at higher densities and typically consist of one and two bedroom apartment units.

In 2000, there were 12,727 persons over the age of 65 living in the City of Santa Barbara, representing 13.8 percent of the total population. Of those, just over 1,000 lived in nursing homes or other non-institutional group quarters.

In 2000 the vast majority of elderly (11,618 persons) lived independently in various types of households. Of the 11,618 living in households, the majority (70 percent) are senior householders (the person who owns or rents the home). Thirty-two percent (or 3,758) are family householders (head of a household with one or more related persons living together). Another 4,382 (38 percent) are non-family householders (alone or with non-relatives). This includes 3,060 older women living alone.

Another 2,478 (21 percent) lived with their spouse but are not head of household. Three hundred and sixty-two (3 percent) lived with an adult child(ren) who are head of household. Another 319 (3 percent) lived with other relatives who are head of household, and 3 percent lived with another non-related adult who is head of household.

The City varies from the State in that the City's population of 65+ persons declined by 1,144 persons between 1990 and 2000. With the exception of a small drop (329 persons) in the County 65-74 age group, the 65+ population increased in the County, State and Nation.

In 2000, 908 seniors aged 65 and older lived below the poverty level, up from 851 in 1990. The majority (65 percent) are 75 years of age or older. Thirty-five percent are between the ages of 65 to 74. This is up from 851 in 1990. The 2000 census also found that 4,744 persons (38.5 percent) of persons aged 65 and older reported having a disability. This information indicates that there are more elderly people in the City's population than 10 years ago living at poverty levels.

According to information provided by the 2006-2008 American Community Survey, the City has a greater share of residents over the age of 65 compared to Santa Barbara County and California as a whole. The City is home to approximately 12,449 persons age 65 and over, representing 14.5 percent of the total population (86,087). This represents a slight decrease in the number of City residents age 65 and over since 2000.

## Disabled

Disabled persons have special housing needs and face unique problems in obtaining affordable and adequate housing. Persons with disabilities often have particular requirements due to accessibility issues, fixed or lower income and health care costs. There are different types and levels of disabilities, including physical (mobility impairments, sight impairments, hearing impairments or speech impediments), mental and developmental disabilities. Because of this broad range of types of disabilities, identifying and meeting housing needs is challenging.

Individuals with disabilities require conveniently-located housing in close proximity to transit, retail and commercial services, as well as their place of employment. Housing which is adapted for wheelchair accessibility, ramps, lower sinks, grip bars, wider doorways, etc., is required for the physically disabled. Making a new or existing dwelling unit accessible requires different features depending on the type of disability. The Federal Americans with Disabilities Act (ADA) requires new multi-family construction to be accessible to persons with disabilities. However, units built prior to ADA are rarely accessible and some of these units can be difficult to retrofit.

Another serious problem that people with disabilities face is one of housing affordability. The cost of housing in Santa Barbara and the low-income status of most people with disabilities make it difficult to find housing. For many of the disabled population, the only source of income is Supplemental Security Income (SSI) benefits. Given this limited income, rent often accounts for a major portion of their monthly expenses. Therefore, a variety of housing types, both rental and owner-occupied, should be made available for this segment of the population.

Local community-based organizations that serve the disabled population include the Independent Living Resource Center, the Tri-Counties Regional Center, Alpha Resource Center, CHANCE, INC, AIDS Housing Santa Barbara, Catholic Charities, Salvation Army and the Mental Health Association.

As shown in Table H-27, the 2000 Census provided data on disabilities for persons 5 years of age and older. In 2000, 15,493 persons living in the civilian non-institutionalized population stated that they had a disability. This represents 18 percent of the population aged 5 years and older in the City. This includes all types of disabilities (physical, mental and developmental).

Census data is provided for three age groups: 5-15 years; 16-64 years; and 65 years and older. In the City, 421 (3.7 percent) persons between 5-15 years of age stated that they had a disability. The vast majority of disability types for this age group were identified as mental (368). The County and State percentages of disabled for the 5-15 age group are slightly higher at 4.6 percent and 4.8 percent respectively.

For the 16-64 age group, 10,328 City residents (16.4 percent) stated that they had a disability. The majority (2,530) stated that they had a physical disability followed by 1,853 who indicated a mental disability. Of those with a disability in this age group, 33 percent stated that they had trouble going outside of the home. Seventy one percent stated that the disability affected their employment.

Of the population 65 years of age and older, 4,744 (38.5 percent) indicated a disability. The vast majority (3,300 / 70 percent) indicated a physical disability. Nearly half, (48 percent) stated difficulty going outside the home.

**Table H-27: Persons With Disabilities (2000)**  
**City of Santa Barbara**

| Age Group                  | # w/ Disability | % of Age Group | Country | State |
|----------------------------|-----------------|----------------|---------|-------|
| 5-15                       | 421             | 3.7%           | 4.6%    | 4.8%  |
| 16-64                      | 10,328          | 16.4%          | 17.2%   | 19.4% |
| 65+                        | 4,744           | 38.5%          | 37.0%   | 42.2% |
| <b>Total</b>               | <b>15,493</b>   |                |         |       |
| <i>Source: 2000 Census</i> |                 |                |         |       |

The extent to which the disability affects a person's ability to attain an advanced education degree or participate in the labor force is important. For those aged 18-34 in 2000, 4,114 identified themselves as having a disability (Table H-28). Of those, 20 percent were enrolled in college or graduate school. Comparatively, for the general population, 38 percent of the 18-34 age group was enrolled in college or graduate school in 2000. The State rates of enrollment for the disabled and general population are much lower than the City's (16.4 percent and 23 percent respectively).

The majority of disabled persons in the City are employed (62 percent). This is quite close to the general population employment rates for this age group (78 percent). While the employment rates are high, the quality of jobs may not be high, as 71 percent stated that their disability affected their employment. Similar to education enrollment rates, State employment rates are lower for disabled than the general population (55 percent disabled and 73 percent general).

**Table H-28: Education and Employment for Disabled(2000)**  
**City of Santa Barbara**

| Age Group                  | City Number | % Disabled   | % General    |
|----------------------------|-------------|--------------|--------------|
| 18-34                      | 4,114       | 20% enrolled | 38% enrolled |
| 21-64                      | 9,440       | 62% employed | 78% employed |
| <i>Source: 2000 Census</i> |             |              |              |

## Large Households

Large households are defined as those households with five or more persons. Large households generate a need for units with more than three (3) bedrooms. This housing is often difficult to find, more expensive and, due to the higher expenses associated with larger households, less affordable for low and moderate-income households. As shown in Table H-29, in 1980 the City had 2,228 large households, or 6.9 percent of the City's households. Approximately 976 large households consisted of renters.

In 1990, the City had 3,261 (8.9 percent) large households. Of these, 1,985 (61 percent) were renters and 1,276 (39 percent) were owners. This represents a 46 percent increase in large households from 1980 to 1990.

In 2000, the number of large households increased again to 3,710, an increase of 449 households (10.4 percent of all households). Of the 3,710 large households, 1,738 (46 percent) were comprised of 5 or more people, 842 (23 percent) were comprised of 6 people and 1,130 (30 percent) were households with 7 or more people. This represents an increase of 449 households (14 percent increase) from 1990.

Of the large households, 2,400 (65 percent) were renter households and 1,310 (35 percent) were in owner occupied housing units. This is quite different from 1980 when the majority of large households (56 percent) lived in owner occupied housing. While the total number of large households increased at a slower rate between 1990 and 2000, it is significant to note that only 34 were new owner occupied households. The remaining 415 new large households in 2000 were all renter households.

**Table H-29: Households With 5+ Persons By Tenure (1980 - 2000)**  
**City of Santa Barbara**

| <b>Years</b>                           | <b># (%) Owners</b> | <b># (%) Renter</b> | <b>Total</b> | <b>% of all Households</b> |
|----------------------------------------|---------------------|---------------------|--------------|----------------------------|
| 1980                                   | 1,252 (56%)         | 976 (44%)           | 2,228        | 6.9%                       |
| 1990                                   | 1,276 (39%)         | 1,985 (61%)         | 3,261        | 8.9%                       |
| 2000                                   | 1,310 (35%)         | 2,400 (65%)         | 3,710        | 10.4%                      |
| <i>Source: 1980, 1990, 2000 Census</i> |                     |                     |              |                            |

A further indicator of the need for large rental units can be seen in overcrowding data from the Census. Of owner occupied units, 4.3 percent (649) are over-crowded (more than one persons per room). Of renter occupied units, 18 percent (3,697) are overcrowded. Overcrowding is discussed in more detail later in this section.

This trend is further worsened when approximately only 12 percent of rental housing units have three or more bedrooms (refer to Figure 4). In fact, 55 percent of rental units are studios and 1-bedrooms. Another 33 percent of rental units are 2-bedrooms. Of all rental housing, 88 percent are studios, 1-bedroom, or 2-bedrooms. This is in stark contrast to owner occupied housing where 9,361 units (62.5 percent) of owner occupied housing units contain 3+ bedrooms.

### **Female Headed Households**

Single parent households, in particular female-headed households, generally have lower-incomes and experience higher living expenses. This makes it difficult to find safe, decent and affordable housing. These households can also face challenges in attaining affordable child care, health care and other supportive services. Female-headed households, especially those with children, have special needs with respect to adequately sized housing units, located near schools and recreational facilities.

The 2000 Census counted 12,369 female-headed households in the City, representing almost 35 percent of all households. Approximately 14 percent of female-headed households reported children under the age of 18. Additionally, of the 1,488 families living under the poverty level, 551 families or 37 percent were headed by women (Table H-30).

**Table H-30: Female Headed Households (2000)**  
**City of Santa Barbara**

| Household Type                                   | Number        | Percent       |
|--------------------------------------------------|---------------|---------------|
| Total Households                                 | 35,720        | 100.0%        |
| <b>Total Female Headed Householders</b>          | <b>12,369</b> | <b>34.6%</b>  |
| Female Heads with Children under 18              | 1,684         | 13.6%         |
| Female Heads without Children under 18           | 1,289         | 10.4%         |
| <b>Total Families Under the Poverty Level</b>    | <b>1,488</b>  | <b>100.0%</b> |
| Female Headed Households Under the Poverty Level | 551           | 37.0%         |
| <i>Source: 2000 Census</i>                       |               |               |

### Farmworkers

The City of Santa Barbara has a limited amount of agriculture. Most of the agriculture is on the northern edge of the City north of Foothill Road and between the Riviera and the northern City limits. There are also smaller pockets in the Braemar Ranch area and on upper West Valerio Street. All of the agricultural uses occur on land zoned for residential use. The City of Santa Barbara does not have an agricultural zone designation.

The main agricultural crop grown is avocados, which traditionally is not labor intensive. Information contained in the Environmental Impact Report prepared for *Agricultural Uses: General Plan and Municipal Code Amendments (SB-147-90)* certified in 1993 indicates that there was approximately 130 acres of agricultural use within the City limits. Agricultural use categories include avocados, lemons/limes, and nursery. Avocados and lemon/limes are grown predominately on hillside areas and nursery stock is grown on relatively level mesa areas. It is estimated that there are only twenty to thirty larger agricultural operations. The majority are small, possibly one-half acre or less. Therefore, agricultural uses have been relatively stable in the City of Santa Barbara. Based on this small amount of existing and future agricultural operations, the need for farmworker housing is small, if any.

As stated above, agricultural uses in the City are located in single family zones. Typically, agricultural employee housing is allowed in agricultural zones with large lot size minimums. These are zones where agriculture is the primary use. However, the City does not have such a zone and additional housing on single family parcels is contrary to the purpose of the City's single family residential zones.

There are several provisions in the City's Municipal Code that could allow for additional housing units in the single family zone. However, the additional units would not be required to accommodate farmworkers. Larger parcels zoned for residential use could apply for a Conditional Use Permit for additional dwelling units if the parcel has the minimum lot area required for that zone for each additional dwelling unit.

The housing needs of the farmworker are difficult to quantify. The ability to gather information about farmworkers is limited because they are so mobile and reluctant to participate in any survey. Farmworkers are defined as people who make their living through seasonal agricultural work and who move with the seasons to different farming areas or communities. Permanent residents of Santa Barbara who work in agriculture doing similar work are included in the City's estimates of households needing assistance due to affordability. Therefore there is not a large need for farmworker housing within the City of Santa Barbara separate from the overall need for affordable housing for very low and low-income households.

The 1990 Census identified approximately 2,038 individuals living in the City who were employed in the agriculture, forestry, fishing and mining industries. The 2000 Census reported only 282 employed in these industries, a drop of over 1,700 jobs. Recent information reported by the 2006-2008 American Community Survey estimates that individuals employed in these industries declined further to 168. Because Santa Barbara has a working harbor, those employed in the fishing industry are estimated to comprise a major portion of those employed in this category.

For Santa Barbara County as a whole, the number of people reporting jobs in the fishing, forestry, farming occupations dropped from 11,394 in 1990 to 8,818 in 2000, a loss of 2,576 jobs, of these 1,756 were people who lived in the City of Santa Barbara. The 2006-2008 American Community Survey reports 9,652 jobs in the farming, fishing and forestry industries in the County, an increase of 834 jobs since 2000.

## **Homeless**

In recent years, homelessness has become increasingly prevalent in all parts of the nation, including Santa Barbara. In 1990 the U.S. Census attempted to quantify the homeless population. Although the results of the Census survey cannot be described as definitive, the fact that the Census Bureau tried to count the homeless indicates that homelessness has become a problem nationwide.

### **Census Bureau Homeless Counts (1990, 2000)**

In Santa Barbara, the 1990 Census counted 312 homeless people in emergency shelters for the homeless and 46 homeless people visible in street locations. Providers of shelter and assistance for the homeless population have stated that the Census figures were understated and that numbers alone do not reflect the extent of the problem.

In 2000 the Census Bureau again counted the homeless, but due to political reasons the Census Bureau refused to release the numbers. Instead the Census Bureau released a special report that surveyed emergency and transition shelter populations. In this report, populations in metropolitan areas in the Country with 100 or more people in emergency and transitional shelters were counted by the Census Bureau, including Santa Barbara County.

The total population enumerated in emergency and transitional shelters in Santa Barbara County was estimated at 608 people. However, the special report cautions that the information provided should not be used as a count of the population experiencing homeless due to limitations with the data. For instance, shelters may not have been operating at capacity on the day of the count, shelter beds vary from season to season and weather conditions, the count included only emergency and transitions shelters that were open on March 27, 2000 and therefore does not reflect shelter usage over time, some shelters open on March 27 were not counted, etc.

### **Local Agency Survey (2003)**

Updated estimates based on a 2003 survey conducted with local homeless social service agencies indicate that the number of homeless living in Santa Barbara at any one time is approximately 1,000 to 1,300. The total number of homeless including those staying a few days and passing through the City is approximately 2,000. The survey estimated that Santa Barbara's homeless population is 28 percent female and 72 percent male; 60 percent are 18-45 years of age; 66 percent Non-Hispanic White; 21 percent Hispanic and 13 percent other.

National statistics indicate that 30 percent of the homeless are families; 30-50 percent are substance abusers; 30 percent are mentally ill; and 20 percent are the working poor. Other homeless are seniors, veterans and youth. These groups are often overlooked because little information is available. As the numbers reflect, the

homeless population consists of people of all ages and races. With the high cost of housing in Santa Barbara and the recent economic downturn, homeless service providers confirmed many families are becoming homeless.

### National Coalition for the Homeless

The National Coalition for the Homeless projects that approximately 3.5 million people experience homelessness during any one year. In California, over 400,000 people are homeless at any one time in the course of the year. Based on the national estimate for homeless (an average of 1.5 percent of the 2009 population estimate of 90,308), the City of Santa Barbara would have approximately 1,355 homeless people.

### Point-In-Time Count (2009)

The most recent point-in-time count was undertaken on January 27, 2009. The count included individuals sleeping outside and in emergency shelters/transitional housing units. Approximately 992 homeless persons were counted in the South Coast area of Santa Barbara County (primarily in the City of Santa Barbara and some in Isla Vista). However, it must be recognized that this one day count only includes homeless individuals in shelters on that given day. Therefore, it is assumed that the number of homeless persons is significantly higher than the point-in-time count.

### Homeless Need

Given the difficulty in estimating the number of homeless individuals living in Santa Barbara, the estimate (1,355) provided by the National Coalition for the Homeless will be used to plan for the City's homeless need. Currently, the City provides 934 total beds/rooms/units during December-March and 834 total beds/rooms/units during April-November (Table H-31). Based on this, the unmet homeless need would range between 421 in the winter months and 521 the remaining months of the year.

**Table H-31: Homeless Facilities/Housing  
City of Santa Barbara (2009)**

| Facility Type                                                               | Current Capacity<br>December-March | Current Capacity<br>April-November |
|-----------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Emergency Shelter                                                           | 385 Beds                           | 185 Beds                           |
| Transitional Housing                                                        |                                    |                                    |
| Transitional Units/Rooms                                                    | 98 Units/Rooms                     | 98 Units/Rooms                     |
| Transitional Beds                                                           | 167 Beds                           | 267 Beds                           |
| Emergency RV Parking                                                        | 42 Spaces                          | 42 Spaces                          |
| Permanent Units/Rooms/Beds                                                  | 242 Units/Rooms/Spaces             | 242 Units/Rooms/Spaces             |
| <b>Total Capacity</b>                                                       | <b>934 Beds/Rooms/Units</b>        | <b>834 Beds/Rooms/Units</b>        |
| Total Need*                                                                 | 1,355 Beds/Rooms/Units             | 1,355 Beds/Rooms/Units             |
| <b>Total Unmet Need</b>                                                     | <b>421 Beds/Rooms/Units</b>        | <b>521 Beds/Rooms/Units</b>        |
| Source: City of Santa Barbara 2009                                          |                                    |                                    |
| *Based on National Coalition for the Homeless average of 1.5% of population |                                    |                                    |



In 1998, in response to the growing problem of homeless people on State Street, meetings with the homeless and homeless service providers have been held to determine the most pressing needs facing the homeless. The need for a homeless day center with a full array of services was identified as a high priority. Through a broad based community effort a facility was purchased and remodeled into a comprehensive homeless day center.

Other needs identified included: a continuing need for emergency, transitional and permanent housing for the homeless; funds to help people get into housing; more Section 8 certificates; job training and child care facilities for homeless, additional Single Room Occupancy hotels. Also identified due to the high cost of housing, are places where the working poor who are homeless can go to live and save money in order to be able to pay the rent and security deposit fees.

Unfortunately, only a limited amount of these identified needs may be addressed through a Housing Element. Needs that may be addressed are those of providing opportunities for, and encouraging, emergency shelters and transitional housing; reviewing the rules and regulation affecting affordable housing to make it easier and cost effective for developers to provide affordable housing; providing flexibility in development standards to encourage the broad range of housing opportunities needed; and providing education and public outreach to address concerns of neighbors in areas where these facilities may be located.

Although the County is the public entity responsible for attending to the homeless, the City is deeply involved in helping the homeless. The City implements an effective multi-pronged effort to provide adequate housing and social services to this population. The City has crafted a continuum of care that provides prevention programs, emergency shelter, transitional programs and permanent supportive housing.

On January 13, 2006, Santa Barbara City Council agreed to participate in the development of the Ten-Year Plan to End Chronic Homelessness throughout Santa Barbara County. The primary goal of the Ten-Year Plan is to focus on getting chronically homeless persons into “permanent supportive housing”, which consists of comprehensive, integrated, individualized case management to help them achieve residential stability, increase their skill levels and/or incomes, and obtain greater self-determination (i.e., more influence over decisions that affect their lives). The plan was approved by jurisdictions countywide in October 2006.

The City’s major contribution to the Ten-Year Plan is the development of permanent supportive housing units. Since the approval of the Plan, five projects have been completed consisting of 177 units, including the three supportive housing projects listed in Table H-32. These projects provide an additional 116 units. Of these, 44–62 units serve the chronic homeless. With these projects, the City now has available a maximum 1050 beds/rooms/units during December-March and 950 beds/rooms/units during April-November. Despite these additional units, the City still does not meet the needs of the homeless population (1,355) estimated by the National Coalition for the Homeless average of 1.5 percent of the population. The City’s unmet need ranges between 305 - 405 beds/rooms/units.

**Table H-32: Supportive Housing Projects  
City of Santa Barbara (2010)**

| <b>Project Applicant</b>                            | <b>Facility Type</b>         | <b>Number of Units</b>                                                             |
|-----------------------------------------------------|------------------------------|------------------------------------------------------------------------------------|
| Transition House/Housing Authority (Mom's Property) | Permanent Supportive Housing | 8 new units for the chronic homeless                                               |
| Artisan Court/Housing Authority (Haagan Property)   | Permanent Supportive Housing | 55 new units<br>1/3-1/2 for the chronic homeless or youth aging out of foster care |
| Housing Authority (Bradley Property)                | Permanent Supportive Housing | 53 new units<br>1/3-1/2 for the chronic homeless                                   |
| <b>Total Proposed Units</b>                         |                              | <b>116 units<br/>(44-62 for the chronic homeless)</b>                              |
| <i>Source: City of Santa Barbara 2010</i>           |                              |                                                                                    |

Effective 2008, State Senate Bill 2 (SB2) considerably strengthened the requirements on zoning for emergency shelters. This new legislation requires that jurisdictions address the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without discretionary review.

Regardless of the homeless housing need, SB2 requires that jurisdictions have a zone in place to permit at least one year-round emergency shelter without a Conditional Use Permit (CUP) or any discretionary permit requirements. This can be accomplished by amending an existing zone district, establishing a new zone district, or creating an overlay zone for an existing zone district(s) to allow emergency shelters as a permitted use. In addition, the identified zone(s) must have sufficient land capacity to encourage emergency shelters consistent with SB2.

Facilities that provide overnight shelter to the homeless are considered short-term, transitional housing, similar to hotel use. Existing zones that allow overnight shelter include R-4 (Hotel-Motel-Multiple Residence), C-P (Restricted Commercial), C-L/C-1 (Limited Commercial), C-2 (General Commercial), C-M (Commercial Manufacturing), M-1 (Light Manufacturing) and HRC-1/HRC-2 (Hotel and Related Commerce) zone districts.

The two major emergency shelter facilities, Casa Esperanza Homeless Shelter zoned M-1/C-2/S-D-3 and Santa Barbara Rescue Mission zoned OM-1/S-D-3, are currently permitted with a CUP and are both located in the Coastal Zone. Amending their respective zones to allow these facilities by right would comply with SB2. However, the M-1 and OM-1 zones discourage residential uses and therefore could be considered incompatible with the use. Additionally, the Coastal Commission has opposed residential uses in certain areas of the Coastal Zone due to concerns that residential uses may become the dominant use in these areas.

To satisfy the requirements of SB2, the C-M zoning district will be amended to allow emergency shelters as a permitted use. Implementation Action H4.1 directs that the C-M zone district be amended within one-year of adoption of the Housing Element to allow emergency shelters as a permitted use. The C-M zone allows the development of residential uses, including mixed-use development and other related uses that encourage emergency shelters.

Identified opportunity sites in the C-M zone district demonstrate sufficient capacity to support the development of an emergency shelter. The City's Available Land Inventory Summary (Appendix G) lists approximately 123 vacant or underutilized C-M zoned properties ranging in size from .08 acres to 1.56 acres. In total, the C-M zoned properties make up 30 acres of available land. These parcels either separately (larger parcels) or in combination (smaller parcels) could accommodate the development of an emergency shelter facility. The consolidation of smaller and underutilized parcels is supported by Implementation Action H11.19, which is intended to encourage the development of affordable residential units, including special needs housing.

### **Transitional and Supportive Housing**

Transitional housing is intended to facilitate the transition of homeless individuals and families to permanent housing. This type of housing limits the length of stay and re-circulates the assisted unit to another eligible individual or family. Supportive housing is defined as permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing.

As reflected in Tables H-31 and H-32, the City continues its commitment to the production of transitional and supportive housing opportunities, with approximately 365 transitional units/rooms/beds, and 358 supportive units/rooms/beds currently available for eligible individuals and families.

As mandated by State law these housing units have been subjected to the same permitting processes as other residential development in the zone without undue special regulatory requirements. All the identified transitional and supportive units/room/beds are located on sites within City boundaries and are accessible to public services and facilities, including transit.

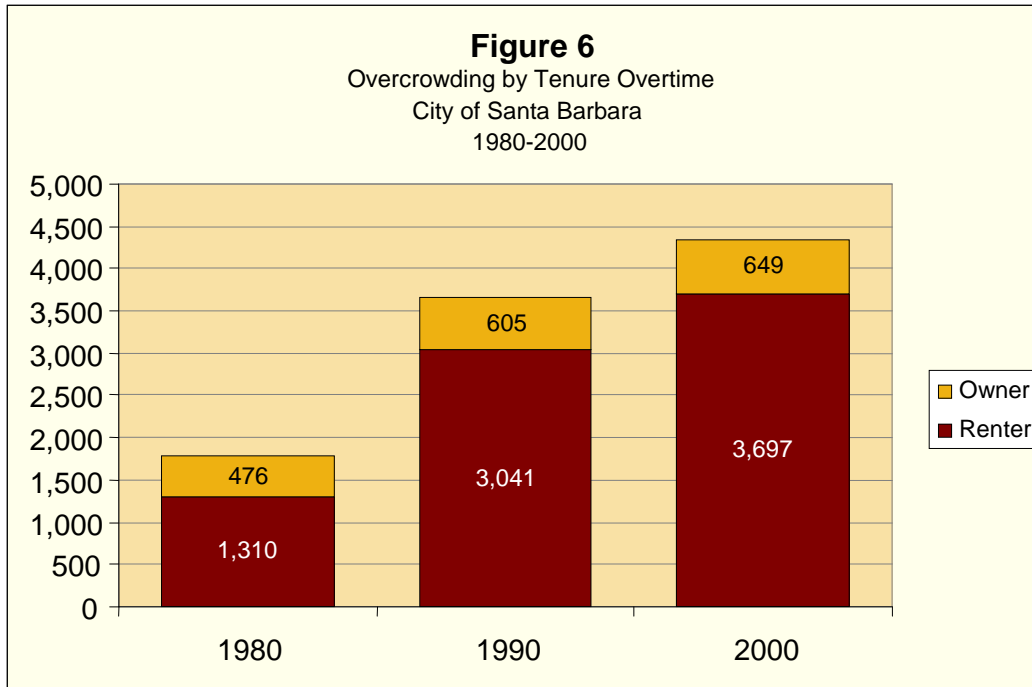
## **Housing Challenges**

### **Overcrowding**

A housing unit that is occupied by more than one person per room (excluding kitchens, bathrooms, hallways and porches) is defined by the Census as being overcrowded. A housing unit with more than 1.5 persons per room is considered severely overcrowded. Overcrowding can serve as an indicator that a community does not have an adequate supply of affordable housing and/or lacks housing units of adequate size to meet the need of large households. Overcrowding can also result when high housing costs relative to income force too many individuals or families to share housing. Overcrowding can accelerate deterioration of the housing stock and associated infrastructure.

Figure 6 shows how overcrowding has increased over time for both renter and owner occupied housing units in the City. In 2000, 4,346 housing units or 12.2 percent of all households in the City were considered overcrowded. This is an increase from 1990 when 3,646 households were reported overcrowded.

The most significant increase in overcrowding occurred in renter households, which were up from 3,041 in 1990 to 3,697 in 2000, an increase of 656 units. Overcrowding in owner occupied units increased by 44 units from 605 in 1990 to 649 in 2000.



In 2000, approximately 2,894 (8.1 percent) of the City's occupied housing units were considered severely overcrowded (Table H-33). Severely overcrowded living conditions were especially high among City renters, representing nearly 88 percent (of the severely overcrowded households).

**Table H-33: Overcrowded Households by Tenure(2000)**  
City of Santa Barbara

|                                | Owner      |             | Renter       |              | Total Overcrowded |              |
|--------------------------------|------------|-------------|--------------|--------------|-------------------|--------------|
| Persons per Room               | HH         | %           | HH           | %            | HH                | %            |
| 1.00 or less                   | 14,317     | 95.7%       | 17,043       | 82.2%        | 31,360            | 87.8%        |
| 1.01 to 1.50                   | 295        | 1.9%        | 1,157        | 5.6%         | 1,452             | 4.1%         |
| 1.51 or more                   | 354        | 2.4%        | 2,540        | 12.2%        | 2,894             | 8.1%         |
| Total                          | 14,966     | 100.0%      | 20,740       | 100.0%       | 35,706            | 100.0%       |
| <b>% Overcrowded by Tenure</b> | <b>649</b> | <b>4.3%</b> | <b>3,697</b> | <b>17.8%</b> | <b>4,346</b>      | <b>12.2%</b> |
| <i>Source: 2000 Census</i>     |            |             |              |              |                   |              |

The American Community Survey for 2006-2008 reported that the number of overcrowded households in the City decreased from 4,346 (12.2 percent) in 2000 to 2,154 (6.1 percent) overcrowded households in 2008 (Table H-34). Similarly, severely overcrowded households decreased from 2,894 (8.1 percent) in 2000 to 763 (2.2 percent) severely overcrowded households in 2008.

In general, overcrowding is not a significant problem in the City, especially for owner-occupied units. Only 6 percent of the City's occupied housing units are overcrowded (more than one person per room). In both 2000 and 2008, overcrowding conditions in the City were less prevalent than for the County or State as a whole.

**Table H-34: Overcrowded Households (2000 – 2008)**  
**City of Santa Barbara**

| Persons Per Room                                                | 2000         |              | 2006 – 2008  |             |
|-----------------------------------------------------------------|--------------|--------------|--------------|-------------|
| 1.00 or less                                                    | 31,360       | 87.8%        | 33,307       | 93.9%       |
| 1.01 to 1.50                                                    | 1,452        | 4.1%         | 1,391        | 3.9%        |
| 1.51 or more                                                    | 2,894        | 8.1%         | 763          | 2.2%        |
| Total Households                                                | 35,706       | 100.0%       | 35,461       | 100.0%      |
| <b>Overcrowded Households</b>                                   | <b>4,346</b> | <b>12.2%</b> | <b>2,154</b> | <b>6.1%</b> |
| <i>Source: 2000 Census, 2006-2008 American Community Survey</i> |              |              |              |             |

### Household and Family Income

As previously noted, the Census distinguishes between a “household” and a “family.” A “household” includes all people who occupy a housing unit as their usual place of residence. A “family” is defined as a group of two or more people who reside together and who are related by birth, marriage or adoption. Not all households contain families since a household may comprise a group of unrelated people or one person living alone. Typically, household income is less than family income. Household and family income data from the 2000 Census are shown on Table H-35. How these income levels relate to housing costs is described next.

**Table H-35: Household & Family Income (2000)**  
**City of Santa Barbara**

| Total Household Income | # of Households | % of Households | # of Families | % of Families |
|------------------------|-----------------|-----------------|---------------|---------------|
| Less than \$10,000     | 2,980           | 8.3%            | 760           | 3.9%          |
| \$10,000 – 14,999      | 1,918           | 5.4%            | 609           | 3.2%          |
| \$15,000 – 24,999      | 3,890           | 10.9%           | 1,780         | 9.2%          |
| \$25, 000 – 34,999     | 4,058           | 11.4%           | 2,200         | 11.4%         |
| \$35,000 –49,999       | 5,808           | 16.3%           | 2,924         | 15.2%         |
| \$50,000 – 74,999      | 6,597           | 18.5%           | 3,798         | 19.7%         |
| \$75,000 – 99,999      | 4,163           | 11.7%           | 2,603         | 13.5%         |
| \$100,000 – 149,999    | 3,605           | 10.1%           | 2,594         | 13.5%         |
| \$150,000 – 199,999    | 1,225           | 3.4%            | 846           | 4.4%          |
| \$200,000 +            | 1,476           | 4.1%            | 1,161         | 6.0%          |
| Total Households       | 35,720          | 100.0%          | 19,275        | 100.0%        |
| Median Income          | \$47,498        |                 | \$57,880      |               |
| Source: 2000 Census    |                 |                 |               |               |

### Renter Households Overpaying

The Census provides information on the percentage of household income paid for rent by total household income. High rents in the City have the most significant negative effect on lower income households. Table H-36 shows the number and percentage of renter households that pay 30 percent or more of the total household income in rent by household income categories.

In 2000, there were 19,952 renter households that provided information about the amount of rent paid and household income in the City of Santa Barbara. Of these renter households, nearly 52 percent (10,303 households) pay more than 30 percent of their household income for rent. Table H-36 clearly shows that the vast majority of renters earning less than \$35,000 per year, pay over 30 percent of their household income for housing costs.

**Table H-36: Renter Households Overpaying  
City of Santa Barbara (2000)**

| <b>Total Household Income</b>    | <b># Paying 30% +</b>         | <b>% paying 30% +</b>       |
|----------------------------------|-------------------------------|-----------------------------|
| Less than \$10,000               | 1,873                         | 9.4%                        |
| \$10,000 – 19,999                | 2,576                         | 12.9%                       |
| \$20,000 – 34,999                | 3,400                         | 17.0%                       |
| \$35, 000 – 49,999               | 1,531                         | 7.6%                        |
| \$50,000 – 74,999                | 735                           | 3.7%                        |
| \$75,000 – 99,999                | 151                           | 0.8%                        |
| \$100,000 +                      | 37                            | 0.2%                        |
| <b>Total Households (19,952)</b> | <b>10,303 paying over 30%</b> | <b>51.6% of all renters</b> |
| <i>Source: 2000 Census</i>       |                               |                             |

This information is especially somber when one considers that the City estimates that 12 percent of the housing stock is publicly subsidized. If one assumes that these households responded to the Census 2000, then the percentage of households overpaying is likely even greater, especially at the lower income levels.

### Ownership Households Overpaying

The picture is also troubling for many who live in owner-occupied housing in the City. Similar to the renter households, owner-occupied households pay a high, disproportionate amount of income to live in Santa Barbara. Overall, 36 percent of owner-occupied households pay 30 percent or more of total household income for housing costs. Of those households, 8,824 (70 percent) had mortgages and 3,733 (30 percent) did not have a mortgage. It is not easily determined whether the 30 percent of homeowners without mortgages represent long-time homeowners or new cash purchases.

As shown in Table H-37, of the homeowners with mortgages, nearly 50 percent (4,105 / 46.6 percent) pay over 30 percent of the total household income for housing costs. Another 363 homeowners did not have a mortgage yet paid over 30 percent of their household income on housing costs.

**Table H-37: Owner-Occupied Households Overpaying  
City of Santa Barbara (2000)**

| <b>Total Household Income</b>    | <b># paying 30%+</b>         | <b>% paying 30%+</b>       |
|----------------------------------|------------------------------|----------------------------|
| Less than \$10,000               | 268                          | 2.1%                       |
| \$10,000 – 19,999                | 346                          | 2.8%                       |
| \$20,000 – 34,999                | 665                          | 5.3%                       |
| \$35, 000 – 49,999               | 858                          | 6.8%                       |
| \$50,000 – 74,999                | 1,124                        | 9.0%                       |
| \$75,000 – 99,999                | 560                          | 4.6%                       |
| \$100,000 +                      | 647                          | 5.2%                       |
| <b>Total Households (12,557)</b> | <b>4,468 paying over 30%</b> | <b>35.8% of all owners</b> |
| <i>Source: 2000 Census</i>       |                              |                            |



### Extremely Low Income Households

Extremely low-income is a subset of the very low-income group and is defined as households with income 30 percent or less of area median income. The Area Median Income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD) corresponds to the AMI *for a household of four*. According to the 2000 Census, the City's median income was \$47,498. For extremely low-income households, this results in an income of \$14,249 or less. Extremely low-income households have a variety of housing needs. Many families and individuals who receive public assistance, social security insurance or disability insurance benefits are considered extremely low-income households. In addition, employed workers earning 30 percent or less of the AMI are also considered extremely low-income households.

Table H-38 indicates that the City had 4,298 extremely low-income households in 2000, representing approximately 12 percent of the total households. According to the State Comprehensive Housing Affordability Strategy (CHAS) data, 83 percent of extremely low-income households in the City are renters and approximately 17 percent are homeowners. Nearly 80 percent of extremely low-income households face other housing problems, such as paying more than 30 percent of their income toward housing costs, and/or experiencing overcrowded living conditions, and/or living without complete kitchen or plumbing facilities.

To determine the projected housing needs for extremely low-income households, the City assumed that 50 percent of the very-low income regional housing needs allocation are extremely low-income households. The RHNA allocation for very-low income housing need is 1,009 units; therefore, the projected need for extremely low-income households is approximately 505 units. As discussed previously, extremely low-income households typically experience overpayment, overcrowding or substandard housing. In addition, some of these households may have physical and mental disabilities, which require special housing needs.

To address the array of housing needs for extremely low-income households, the City continues to promote affordable housing opportunities for its special needs population. In 2004, the Building Code was amended to reduce the size requirement for SRO units to facilitate their construction. In addition, supportive and transitional housing is an important component of meeting the needs of extremely low-income individuals. The City has established partnerships and working relationships with non-profit developers, such as the Mental Health Association of Santa Barbara and the City Housing Authority to provide housing opportunities for extremely low-income households. Further, goals, policies and implementation actions intended to address the housing needs of extremely low-income households are included as part of this Housing Element.

**Table H-38: Extremely Low Income Households  
City of Santa Barbara (2000)**

|                                                                                                           | <b>Renters</b> | <b>Owners</b> | <b>Total</b> |
|-----------------------------------------------------------------------------------------------------------|----------------|---------------|--------------|
| <b>Household Income &lt;= 30% MFI</b>                                                                     | <b>3,570</b>   | <b>728</b>    | <b>4,298</b> |
| % with Any Housing Problems                                                                               | 79.6           | 74.7          | 78.8         |
| % Cost Burden >30% of income                                                                              | 78.5           | 70.7          | 77.2         |
| % Cost Burden >50% of income                                                                              | 66.7           | 58.4          | 65.3         |
| <i>Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data</i> |                |               |              |

### Very Low, Low and Moderate Income Households

Table H-39 shows an estimate of the number and percent of City households that fall into the very low, low and moderate-income ranges. These numbers are derived from interpolating the AMI numbers for various household sizes as well as census numbers. Approximately, 56 percent of the City's households are categorized as very low (including extremely low income), low and moderate income. As such, they qualify for affordable housing programs.

**Table H-39: Income Distribution in Santa Barbara (2000)**  
**City of Santa Barbara**

| Income Group                    | Percent of Median |      | Income Range |          | # of HH's in this Range | % of HH's in this Range |
|---------------------------------|-------------------|------|--------------|----------|-------------------------|-------------------------|
|                                 | From              | To   | From         | To       |                         |                         |
| Extremely Low                   | 0%                | 30%  | \$0          | \$14,249 | 4,298                   | 12%                     |
| Very Low                        | 30%               | 50%  | \$14,250     | \$23,749 | 3,566                   | 10%                     |
| Low                             | 50%               | 80%  | \$23,750     | \$37,998 | 5,881                   | 16%                     |
| Moderate                        | 80%               | 120% | \$37,999     | \$56,997 | 6,344                   | 18%                     |
| <b>Total Households =35,720</b> |                   |      |              |          |                         |                         |
| <i>Source: 2000 Census</i>      |                   |      |              |          |                         |                         |

Housing for the low and moderate-income population has been a priority of the City for over two decades. Previous Housing Elements have contained a number of policies, which the City has implemented, to increase the affordable housing stock. That policy direction and commitment has been carried forward in this Housing Element.

The City has an inventory of 5,258 affordable units, including public housing, units assisted by the City (examples of assistance include bonus density or City financing), publicly owned units, Section 8 rent assisted units, rehabilitated units, and beds in group homes or shelters.

It is often difficult to accurately identify the low and moderate-income group as a whole because it covers such a wide range of family sizes and incomes. This group ranges from 0-120 percent of median income and beyond. Although virtually no funding sources for housing provide assistance to those who earn more than 120 percent of the median income level, it is difficult, if not impossible, for many families to purchase a home in Santa Barbara, even if their income exceeds 120 percent of the median income. Because the income range is so great, the needs of those on one end of the range are very different from those on the other end. Therefore, a range of programs is needed to also meet the housing needs of those whose income exceeds 120 percent of the median income, such as teachers, firefighters, nurses, etc.

### Housing Authority Waiting Lists

Another indicator of the need for low and moderate income housing can be found by looking at the waiting lists maintained by the Housing Authority of the City of Santa Barbara (HACSB). The HACSB maintains several waiting lists for different housing programs. A review of the HACSB waiting lists reflects only people who are eligible and aware of HACSB programs and services. It cannot be used to draw conclusions about overall need or general demographics in the City.

For the previous Housing Element, there were 6,942 applicants on HACSB waiting lists. Of those, 2,952 (43 percent) were single, 1,424 (21 percent) were elderly, 772 (11 percent) were disabled, 82 (1 percent) were handicapped, and 1,712 were other / not categorized (23 percent).

As of February 2009, approximately 8,238 applicant households were seeking assistance from the HACSB, including 4,383 applicants waiting for public housing and 3,855 applicants waiting for section 8 housing. Elderly applicants make up 16 percent (1,303), persons with disabilities make up approximately 26 percent (2,131) and almost 35 percent (2,842) of the applicants are families with children. Approximately 74 percent (6,106) of these applicants are categorized as having extremely low incomes. This information indicates a need to house special needs populations.

### **Middle Income Households**

Housing needs for middle-income individuals and families is an issue as noted above. “Middle-Income” is defined as the range from 120 percent to 160 percent of the AMI, as set by the State. As of May 2010, the maximum income for a middle-income household of four is \$114,250.

Middle-income households are a diverse range of semi-professional and professional workers in the community. The middle-income workforce represents a considerable segment of the community that wishes to purchase a home in Santa Barbara. The issue of affordable housing for middle-income households is addressed in Housing Element strategies targeted to affordable rental units and for-sale units.

### **College and University Housing**

There are three major schools (a university and two colleges) within the Santa Barbara area. The University of California at Santa Barbara (UCSB) is located just west of the City. UCSB had an enrollment of 21,584 undergraduate and graduate students for Fall 2009. Although the University does provide on-campus dormitories as well as off-campus apartments for students and faculty, these units only meet a portion of the demand. Santa Barbara City College (SBCC) is located within the City of Santa Barbara. SBCC had an enrollment of 19,544 students in the 2008. This is an increase from the 16,844 students enrolled in the 2003. SBCC does not provide on-campus or off-campus housing for students. Westmont College is located in Montecito, a 10-minute drive east of Santa Barbara. Westmont is restricted to an enrollment of 1,200 students through a Conditional Use Permit. Westmont provides on-campus housing for 98 percent of its students; therefore, fewer Westmont students impact the rental housing market. Westmont also provides faculty and staff housing.

There are also a number of smaller schools in Santa Barbara, including Brooks Institute of Photography, Antioch University, Santa Barbara College of Law and Southern California Institute of Law. Although these schools have small enrollments or cater to those already living and working in Santa Barbara, they do contribute students to the demand for affordable rental units.

University and college students have special housing needs due to limited income and financial resources. Most students are able to work only part-time to accommodate their study program. It is not uncommon for students to earn lower incomes and pay over half their annual income for housing. Students may double-up to make rent payments more affordable.

University and college students can impact the rental housing market. These students can be a significant factor that affects housing availability and rent levels in areas close to the schools. Apartments near these schools generally experience lower vacancy rates and a higher turnover due to the cyclical school year. Because of the increased demand placed by students, apartment owners with units close to colleges can charge higher rents. The issue of affordable housing for university and college students is addressed in Housing Element implementation actions targeted to affordable rental units.

### Regional Housing Needs Assessment – Remaining Need

State law requires that the City's housing needs assessment include a quantification and plan for meeting its fair share of the projected housing needs in the region / County. The Santa Barbara County Association of Governments (SBCAG) adopted the Regional Housing Needs Assessment (RHNA) Plan for Santa Barbara County in June 2008.

The 2008 RHNA projects the need for 11,600 new housing units countywide by 2014, with the South Coast receiving 57 percent (6,625 new units) of the countywide allocation. With 41 percent of the South Coast's population and 76 percent of the region's affordable housing, the City received approximately 66 percent of the region's housing allocation. The unincorporated communities of the County, which have 40 percent of the region's population and 12 percent of the existing affordable housing received 4.4 percent of the region's housing allocation, with the remaining 30 percent assigned to the cities of Carpinteria and Goleta (Table H-40).

**Table H-40: Regional Housing Needs Assessment  
South Coast Jurisdictions (2007 – 2014)**

| <b>Jurisdictions</b>                                  | <b>Number of Units</b> | <b>Percent</b> |
|-------------------------------------------------------|------------------------|----------------|
| City of Santa Barbara                                 | 4,388                  | 66.2%          |
| City of Goleta                                        | 1,641                  | 24.8%          |
| City of Carpinteria                                   | 305                    | 4.6%           |
| Unincorporated South Coast                            | 291                    | 4.4%           |
| <b>Total</b>                                          | <b>6,625</b>           | <b>100.0%</b>  |
| <i>Source: SBCAG Regional Housing Needs Plan 2008</i> |                        |                |

The Suitable Sites Inventory section of this Housing Element demonstrates that sufficient vacant and underdeveloped opportunity sites exist in the City to accommodate the remaining housing need identified in Table H-41.

**Table H-41: Remaining Housing Need  
(2007-2014)**

| Income Groups                                                                     | A                     | B                                           | A-B            |
|-----------------------------------------------------------------------------------|-----------------------|---------------------------------------------|----------------|
|                                                                                   | New Construction Need | Units Built, Under Construction or Approved | Remaining Need |
| Very Low                                                                          | 1009                  | 145                                         | 864            |
| Low                                                                               | 746                   | 51                                          | 695            |
| Moderate                                                                          | 746                   | 8                                           | 738            |
| Above Moderate                                                                    | 1887                  | 455                                         | 1,432          |
| <b>Total Units</b>                                                                | <b>4,388</b>          | <b>659</b>                                  | <b>3,729</b>   |
| <i>Source: SBCAG Regional Housing Needs Plan 2008, City of Santa Barbara 2009</i> |                       |                                             |                |

### Progress in Meeting the Regional Housing Needs

Between January 2007 and September 2011 approximately 327 residential units were constructed. Of these units, 100 units were affordable to very low income households, 35 units to low income households, 7 units to moderate income households, and the remaining 185 units to above moderate income households (Table H-42).

**Table H-42: Housing Units Constructed  
(2007 – 2011)**

| Income Groups                             | Units Constructed |
|-------------------------------------------|-------------------|
| Very low                                  | 100               |
| Low                                       | 35                |
| Moderate                                  | 7                 |
| Above Moderate                            | 185               |
| <b>Total Units</b>                        | <b>327</b>        |
| <i>Source: City of Santa Barbara 2011</i> |                   |

The units identified in Table H-42 were assigned to income group categories based on the affordability requirements outlined in the City's Affordable Housing Policies and Procedures Handbook. The affordability requirements relate to the very low, low, moderate, middle, and upper-middle income categories which are based on various percentages of the Area Median Income (AMI) established by the U.S. Department of Housing and Urban Development as shown in Table H-43.

**Table H-43: Income Categories  
(2007 – 2011)**

| <b>Income Groups</b>                                                                                                                                          | <b>Percentage of Area Median</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Very low Income                                                                                                                                               | 50% or below                     |
| Low Income                                                                                                                                                    | >50% - 80%                       |
| Moderate Income                                                                                                                                               | >80% - 120%                      |
| Above Moderate Income *                                                                                                                                       | >120%                            |
| <i>Source: City of Santa Barbara 2011</i><br><i>*Price-restricted middle and upper-middle income units are included in the Above Moderate Income category</i> |                                  |

Affordable rents and sale prices are based on the target income for the income category which the unit is meant to serve. For example, low income rentals are generally targeted to households with income at 60 percent of the AMI; moderate income condominiums are targeted to 100 percent of the AMI; middle income condominiums are targeted to 120 percent of the AMI, and upper-middle income condominiums are targeted to 160 percent of the AMI.

The very low, low, moderate, and some of the above moderate income units identified in Table H-42 are priced controlled by means of a recorded affordability covenant executed by the property owner and City to assure conformance with the City's affordability requirements. The City requires every owner of rent-restricted units to file reports annually and upon each change in occupancy to ensure compliance with the recorded affordability conditions. Additionally, price-restricted ownership units are required to record an affordability covenant to assure long-term affordability of the unit, thus remaining affordable to subsequent owners. Affordability periods are typically 45 years and "roll" upon resale to a maximum affordability period of 90 years.

# Constraints

Pursuant to State law, jurisdictions are required to assess constraints imposed by local government on the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities, and to consider removing any constraints that impede achieving the jurisdiction's fair share of regional housing need.

As part of initiating the *Plan Santa Barbara* (General Plan Update) process in 2005, the City Council re-affirmed the goal of “ensuring affordable housing opportunities for all economic levels in the community, while protecting the character of established neighborhoods.” It was also recognized that a wide range of housing options is important to maintain an economically and socially diverse population. Retaining and housing its local workforce has become a community value for Santa Barbara. As such, providing affordable housing to help maintain socio-economic diversity, while preserving Santa Barbara's small-town character will likely require trade-offs to achieve these goals.

## GOVERNMENTAL CONSTRAINTS

Local government can affect the production and preservation of housing through land use and development regulations and standards. Severely limiting the amount of residentially designated land or densities, requiring onerous project review periods prior to approval, and imposing high fees and exactions are some of the practices which impede residential development. In addition, other City goals may conflict with providing housing, such as protecting archaeological, historic, biological and other environmental resources, as well as the desire to provide open space and parks for the community. Further, limited infrastructure capacities may result in barriers to the production of housing for all income groups.

### Land Use Controls

#### General Plan

The City regulates the type, location, density and scale of residential development primarily through the General Plan and Zoning Ordinance. The General Plan establishes the overall character and development of the community and identifies residential land use categories throughout the City ranging in densities from one unit to 36 units per acre (depending on the average unit size). In addition, the General Plan goals and policies support the opportunity for a broad range of housing types and densities, with special attention given to densities that encourage smaller, more affordable units.

#### Zoning Ordinance

Local land use controls also include the Zoning Ordinance, which shapes the form and intensity of residential development. In general, the City's zoning regulations and standards are intended to balance the goal of providing affordable housing opportunities with the goal of preserving the character and integrity of existing neighborhoods.

Consistent with the General Plan, the City's Zoning Ordinance allows a range of zones and dwelling unit densities. These zones also allow mobile home and emergency shelter units. For more detailed information regarding uses permitted by zone see Appendix F, Zoning Information and Fees, *Use Permitted in Various Zones*.



The minimum dwelling unit size for single family residences, duplexes, and multi-family units is 400 square feet and 220 square feet for Single Room Occupancy (SRO) units. Minimum setbacks for residential use in a residential zone range from 3 to 15 feet for the interior yard, and from 10 to 35 feet for the front yard. Maximum building height ranges from 30 feet in the single family zones to 45 feet in the multi-family zones and some commercial zones. Maximum building heights of 60 feet are allowed in certain commercial and manufacturing zones. For more detailed information regarding residential development standards in residential zones see Appendix F, Zoning Information and Fees, *Residential Development Standards*.

While the City's development standards may be viewed as constraints to residential development, any development standard except for height limits, can be reduced or eliminated through the City's zoning modification process. In keeping with the City's long standing encouragement of affordable housing, residential development, particularly housing for lower income households are frequently afforded relief from these standards, which results in reduced costs to the developer. Additionally, the Average Unit-Size Density Incentive Program and/or Priority Housing Overlay Program allow increased densities, particularly for affordable housing projects.

### **Density**

Although a range of densities, setbacks, and building heights allow for a variety of residential land uses, over time the market cost of land has increased such that affordable "least cost housing" was difficult to achieve under previous density limits. Least cost housing is the least expensive, unsubsidized housing the private market can provide. Zoning which limits the density of housing units means that high land costs must be absorbed by fewer housing units than might otherwise be economically desirable. This causes the cost of an individual unit to increase.

The Land Use Element has been updated concurrently with the Housing Element to address the management of residential and non-residential growth in the City for the next 20 years through 2030. Recognizing the community's mandate to "live within our resources" and the need to create housing opportunities for City residents, the Land Use Element now allows increased residential densities in some commercial zones (up to 36 du/acre) and multi-family zones (up to 27 du/acre). In addition, the Priority Housing Overlay allows up to 63 du/ac in select areas of the City. The increased densities serve to encourage smaller, compact housing to support the production of additional affordable housing.

Land Use Element Implementation Action LG6.1 directs amendments to the Zoning Ordinance to provide an Average Unit-Size Density Incentive Program in multi-family and commercial zones. The program permits higher densities based on smaller unit sizes and proximity to transit services and commercial uses. It also allows increased densities for affordable housing and/or Community Benefit and Priority Housing projects. To encourage rental housing at affordable rental rates, Housing Element Implementation Action H11.2 allows increased densities (above the Average Unit-Size Density Incentive Program) to rental, employer sponsored, and co-operative housing projects. Further, to preserve existing rental units, H13.3 allows the reconstruction or rehabilitation of existing rental apartments at non-conforming densities and zoning standards.

Increased density permits the private market to develop housing at a lower cost per unit; however, allowed higher density does not necessarily result in lower priced units, as the housing market determines the price at which a unit will sell. In addition, the City through its bonus density and inclusionary housing programs allows increased density in return for price/rent controls for some or all of the units in a development. Granting bonus density units to projects can reduce the per-unit costs and allows the development of some or all of the units as affordable to low or moderate income households.

Development of inclusionary housing may increase the per-unit costs of the market-rate housing, but it does provide price controls available to middle-and upper-middle-income homebuyers. Input from the development community resulted in two key provisions in the Inclusionary Housing Ordinance (IHO). First, the ordinance must allow a density bonus for the required inclusionary units. Second, the prices of the required inclusionary units should be affordable to middle-income households rather than low-income households. Because of the additional density and higher sales prices, the sale price of the inclusionary units may be equivalent to the marginal development cost of the units, so that the developer breaks even on the inclusionary units.

### **Development Review Process**

The City regularly examines and streamlines its development review process. This internal assessment results in improved coordinated review between the various City Departments through the Pre-Application Team (PRT) and Development Application Review Team (DART) processes and allows for early identification of project issues/concerns. The PRT and DART process (explained below) has greatly reduced the number of “late hits” for projects (see Figure 7).

Implementation of the 2004 Housing Element was successful as described in the Evaluation section. The current economic climate and housing market have resulted in a slow-down in the number of housing projects in the development review system. Yet, incentives or other measures designed to increase residential development activity could potentially cause a slow-down of the development review system due to the volume of housing projects in review. The most important actions the City can take are to maintain its commitment to housing and a balanced and efficient development review process.

The development review process is an important tool in ensuring that new housing meets all necessary health and safety codes, conforms to architectural and aesthetic design standards for neighborhood compatibility, is supplied with all necessary utilities and infrastructure and does not have a significant impact on the environment. This review process can also constrain opportunities for the development of lower income housing, particularly through the indirect cost of time in the process and fees.

Projects that do not require discretionary review (i.e., review by one of the City’s design review boards, Staff Hearing Officer, the Planning Commission, or City Council) are referred to as “ministerial” projects. Ministerial projects are not subject to the California Environmental Quality Act (CEQA), and therefore are exempt from environmental review. Projects requiring discretionary review, such as review by the Staff Hearing Officer, Planning Commission or one of the design review boards would be subject to CEQA, and would undergo the appropriate level of environmental review.

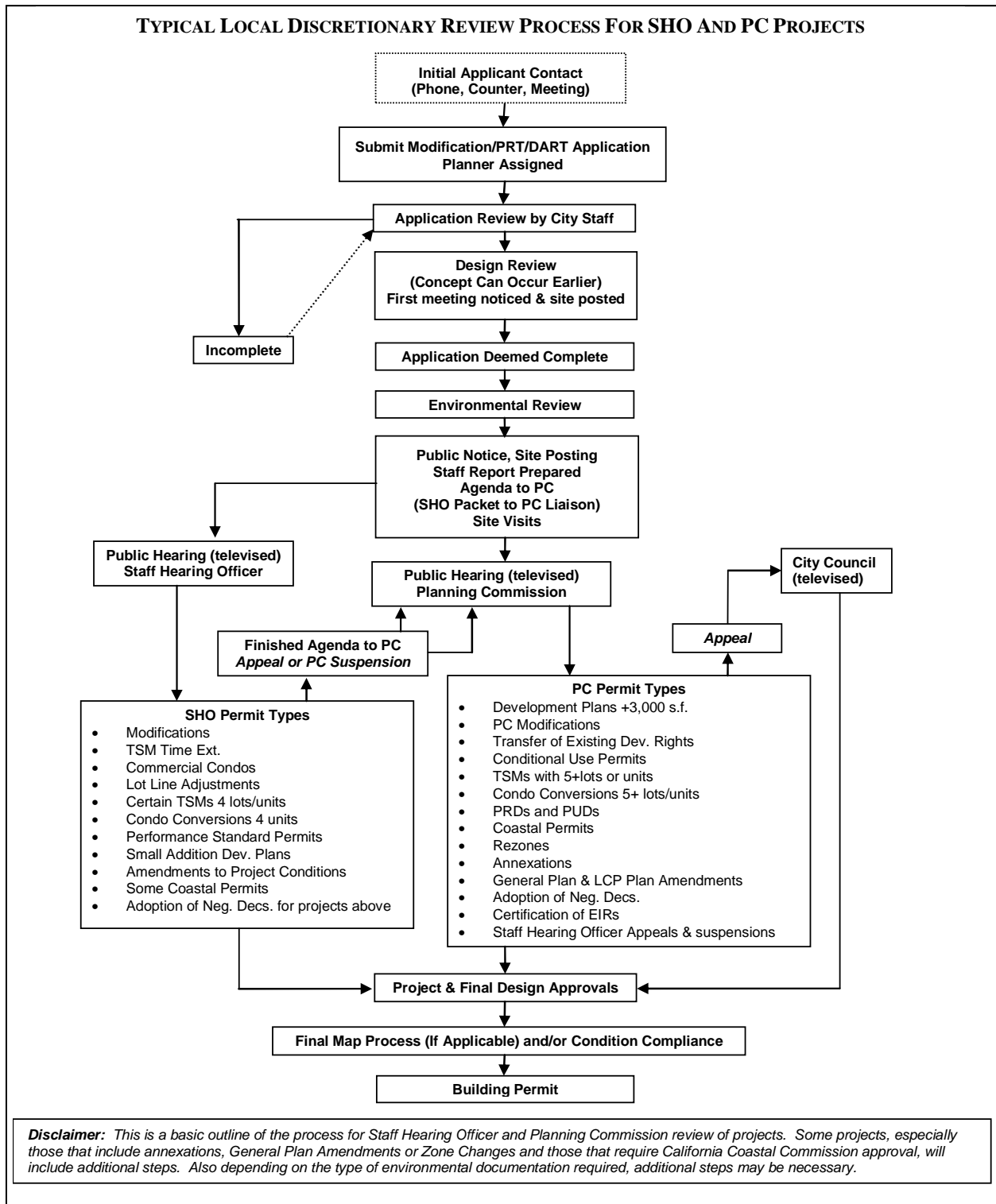
New affordable rental housing would not necessarily require review by the Staff Hearing Officer or Planning Commission. If a proposed project complies with all of the requirements of State density bonus law, and the density bonus requested is no more than the density bonus mandated by State law, then the project’s density can be considered consistent with the Zoning Ordinance and therefore, a lot area modification would not be required. However, the project would continue to be subject to design review.

### **Pre-Application Review Team**

For projects requiring discretionary review, the City's development review process is structured to allow for early identification of resource, zoning, planning, design, and infrastructure issues. This is accomplished through either early meetings with City Staff or through the more formal Pre-Application Review Team (PRT) process. Staff members from various City departments make up the review team. Certain types of projects (subdivisions and, condominiums of more than four units, etc.) are required by the Municipal Code to apply for PRT review. However, it is recommended that larger projects or projects that have the potential to cause neighborhood/community concern also apply for PRT review. In some cases, an applicant may elect to apply for PRT review.

Following the submittal of a PRT application, all project information and materials are distributed to those agencies and departments that will be reviewing the development proposal. Planning Staff utilizes the Master Environmental Assessment (MEA) to determine the need for special studies (e.g., geology and soils, traffic, cultural resources, etc.) or if environmental thresholds are exceeded. If special studies are required, they are required to be submitted with the formal application for Planning Commission review. Comments on the proposed development proposal are transmitted to the applicant typically within four-five weeks of the application submittal.

Figure 7:



### **Development Application Review Team Process**

Subsequent to PRT review, a formal application for Staff Hearing Officer or Planning Commission is submitted. Consistent with the State Permit Streamlining Act, the City must determine within 30 days if the application submittal is complete and notify the applicant accordingly. This completeness determination is coordinated with other City Departments through the Development Application Review Team (DART) process. In general, if a project received PRT review, the same City Staff team members perform the DART review to provide consistency in the review and comments. City Staff works with an applicant to obtain a complete application by the end of the second DART review. Occasionally, additional reviews are necessary. Once a complete application is accepted, environmental review commences.

### **CEQA Review**

Most small projects are categorically exempt from CEQA and therefore can proceed directly to the decision-making body for consideration and approval. If the project is not exempt, an Initial Study is prepared to identify potential environmental impacts, identify mitigation measures, and determine the appropriate environmental review. If a Negative Declaration or Environmental Impact Report (EIR) is required, the Environmental Analyst directs its preparation. The environmental document is circulated for public review and comment, as required by CEQA. If an EIR is required, the Planning Commission holds a public hearing to take public comment on the draft document and, at a later date, takes action on the project and certifies the EIR. For housing projects, affordability can be the basis for a statement of overriding considerations.

### **Design Review**

Santa Barbara is an area rich with architectural history and was one of the first jurisdictions in the country to form an Architectural Board of Review. In addition, the City has a Historic Landmarks Commission that oversees the design of improvements to all buildings in the El Pueblo Viejo and Brinkerhoff Avenue Landmark Districts, and the designation of buildings as Landmarks or Structures of Merit. In 2007, the City created the Single Family Design Board to review single-family residences, as well as additions to existing single family residences. Most development is required to be reviewed by the Architectural Board of Review (ABR), the Historic Landmarks Commission (HLC), or the Single Family Design Board (SFDB).

Building permits for new multiple-family residential, duplex units, and two or more detached residential units on one lot are subject to review by the ABR. The majority of single family residences are subject to review by the SFDB. The requirements for design review could be viewed as an impediment to the development of housing; however, the purpose of design review is to ensure compatibility with the surrounding neighborhood without placing undue restrictions on allowed uses. The design review boards help higher density affordable projects gain acceptance from the community by ensuring compatibility with the neighborhood. However, the costs for design elements can be a burden for affordable housing projects. Also, the time spent in the design review process can impact the finances for an affordable project.

The preparation of multi-family design guidelines that identify standards for unit sizes, setbacks, open space, landscaping, size, bulk and scale and site planning would serve to clarify expectations and provide consistency of project review, resulting in reduced review time and expense. An implementation action (H16.9) requiring the preparation of the Multi-Family Residential Design Guidelines and Standards is included in the Housing Element Policies, Goals and Implementation section.

To expedite affordable housing projects through the development and design review process, the City encourages joint review by the Planning Commission and Design Review Boards. This allows both review bodies to evaluate the project concurrently, thereby expediting the process and potentially resulting in a monetary savings for the applicant.

### **Processing Time**

The processing time for a residential development project varies depending on its size and complexity and the number of actions or approvals needed to complete the process, as well as community issues and concerns. Projects requiring an EIR, special zoning permits or modifications, those denied by Planning Commission and/or appealed to City Council, and those with design issues can take considerably more time than less complex projects.

In 2005, the City created a Staff Hearing Officer program to improve, simplify and streamline the discretionary review process for smaller projects that do not involve major land use policy considerations. The program has been effective in expediting the permitting process and reducing the cost and processing time for small infill housing projects that would otherwise require Planning Commission review. The Staff Hearing Officer review represents approximately 23 percent of the development review actions taken by the City, thus freeing up time on the Planning Commission agendas for major projects and policy issues, as well as reducing the processing time for smaller projects.

Appendix F, Zoning Information and Fees, *Permit Process Timelines* identifies typical processing time in the City's entitlement process. As previously noted, processing time can vary based on the scale, complexity and type of project. For example, projects that require review by the Staff Hearing Officer are smaller and less complex than those requiring Planning Commission review, and therefore generally take less time to move through the permit process. A project that is exempt from CEQA and one that requires the preparation of an Initial Study and Negative Declaration would have different timelines for environmental review. The preparation of the Initial Study and Negative Declaration would add more time to the process (4-5 months). Additionally, the process to prepare an EIR, undergo public review, and certify the Final EIR can add 6 to 8 months to the timeline.

City Staff from various departments and divisions work as a team with developers and applicants to facilitate the project through the permit process in a timely manner. This approach is intended to streamline review and avoid undue time constraints to the developer. In addition, initial design review of the project can occur concurrently with other steps, thereby reducing process time. However, some steps in the review process are dependent on the applicant. Therefore, the amount of time an applicant takes to complete these steps also affects the project processing time.

As shown in Appendix F, development applications that require Staff Hearing Officer and Planning Commission approval, including Tentative Subdivisions or Parcel Maps including Condominiums and Condominium Conversions, Planned Unit Developments, Planned Residential Developments, Variances, Coastal Development Permits, Development Plan Approval, Conditional Use Permits and Modifications generally take approximately 9 to 10 months to process. Note that 4 to 5 months of the total processing time is related to how long it takes the applicant to complete certain steps. As indicated above, the preparation of an Initial Study and Negative Declaration, or an EIR would add more time to the process.

The typical processing time for a single family unit is 3-4 months. This time frame includes approximately 3 meetings with the designated design review board. A typical multi-family unit project (rental) would take approximately 5-6 months and include 4-5 meetings with the designated design review board. Again the overall processing time is dependent on the time the applicant takes to complete materials and working drawings.

The City recognizes the affect that process time can have on development costs. Because of holding costs and inflation, the longer the approval process takes, the higher the cost to develop the project. Implementation Actions H16.1 through H16.9 are included to expedite the development review process for residential infill and affordable housing projects. To the extent possible, the City facilitates and expedites affordable housing projects. Affordable housing projects are given priority on development review agendas and receive expedited plan check reviews in an effort to reduce cost and time for such projects.

### **Building Codes and Enforcement**

In addition to land use controls, building codes could potentially affect the cost of housing. The City has adopted and enforces the California Building, Plumbing, Mechanical and Electrical codes, which ensure that all housing units are built to specified standards. These codes are substantially determined by technically qualified professional groups and adopted by most cities and the State of California. The California Building Code was amended in 2004 to change minimum size requirements for affordable efficiency units from 400 to 220 square feet. This change to the code allowed the construction of 62 SRO units for very low-income homeless and nearly homeless individuals.

In addition, the City has adopted and enforces the California Historic Building Code, which allows some flexibility in the standards for registered historical landmarks. These standards do not significantly increase construction costs.

Code enforcement is conducted by the City to address code violations and is initiated on a complaint received basis throughout the City. In addition to inspecting and notifying residents of existing code violations, the City also provides information regarding the Housing Rehabilitation Loan Program. Building code and enforcement activities are not considered a constraint to housing development, as they contain regulations necessary to protect the public, health safety and welfare and do not interfere with the City's ability to produce housing.

### **Site Improvements**

Site improvements typically occur in conjunction with the development of residential parcels. Through the completion of a development application, various municipal departments (public works, fire, building and safety), county agencies (flood control) and utility companies (gas, electricity) review the residential development for conformity with development standards. Fees such as school fees are exacted just prior to the issuance of the building permit.

### **On-Site**

The Transportation Division utilizes standards for parking design to determine adequacy of parking layouts. The City adopted these standards in order to provide adequate space for parking and access for the users of the parking facilities. Projects that do not meet the standards must apply for a Zoning Ordinance modification of the requirement, which can add time and cost to a project.



Parking requirement reductions are allowed in certain circumstances to assist with the production of housing. For example, a development with 100 percent rental units for very low- or low-income households is allowed a reduced parking requirement of one uncovered space per unit. The requirement for senior housing is one uncovered parking space per unit, with one-half uncovered space per unit allowed if the project is for low-income seniors. Community care facilities also require only one parking space per unit.

In mixed-used projects, where residential uses occupy up to 50 percent of the development, the residential parking requirement is reduced by 50 percent and covered parking is not required. Further, in mixed-use developments located in the City's central business district, the parking requirement is reduced to one uncovered space per unit, with no required provision for guest parking. (See Appendix F, Zoning Information and Fees, *City Parking Requirements*.)

### **Off-Site**

The Public Works Department's requirements for off-site improvements are defined by standards, which have been adopted by the City. The State Department of Housing and Community Development requires that the City investigate reduction in off-site improvements as they add to the cost of residential development. Several examples of off-site improvement reductions are discussed below.

When appropriate, the Public Works Department recommends the reduction of right of way, street, and sidewalk improvements to the Planning Commission, who ultimately makes the decision. The City allows rolled curbs only in areas where they exist because they pose safety issues. No significant cost savings are associated with rolled curbs in most instances.

Sewer manholes are placed as far apart as possible, given the available City equipment, and the City allows a single water service and water meter for condominium conversions and low/moderate housing developments where multiple units have a single water heater source. Additionally, the City has allowed for the manifolding of water meters for new multiple-family and condominium developments. Manifolding allows for one service lateral with six to eight water meters. This allows for a significant cost savings because the developer only pays for one service trenching.

The City currently allows for common trenching for utilities as long as there are no health and safety violations and appropriate separations are maintained. The City has investigated reducing the size of water and sewer mains and has concluded that the majority of the cost associated with installing a water or sewer main is not in the pipe size, but in the actual trenching and replacement of the existing surface type. Reducing the size of water and sewer mains would be counterproductive, especially since a major portion of Santa Barbara is located in a high fire hazard area. It would not substantially lessen the cost to the applicant and would compromise the efficiency and effectiveness of the system, as well as public safety.

Through the Neighborhood Improvement Plan and Implementation Program, the City has committed funds to neighborhood capital improvement projects in areas serving low-income residents. Projects undertaken include street and pedestrian lighting, new curbs, gutter and sidewalks, and park expansions. These projects improved neighborhood services and infrastructure and helped support infill development.

## Fees and Other Exactions

The direct cost of development review fees and building permit fees adds to the cost of housing. These fees are set at rates intended to recover the cost of permit processing, providing public service, and to mitigate certain development impacts. Appendix F, Zoning Information and Fees, *Residential Development Application and Fees* provides a general fee schedule (2010) for a ten-lot single-family subdivision, a ten-unit condominium project, a ten-unit affordable condominium project, a ten-unit apartment, duplex condominiums, a rental duplex, and a single-family residence.

The City also collects fees assessed by other governmental entities, such as school impact fees. For example, the Santa Barbara School District fee amounts to approximately 18 percent of the total fees assessed on a single-family residence. Sewer and water connection and buy in charges, which reimburse the City for the provision of essential services for any housing project represent another 32 percent of the total fee package for a single-family residence. The total cost of the remaining development review and building permit fees assessed on a single-family residence, which include such ministerial items as electrical, plumbing and mechanical plan review account for approximately 50 percent of the total fees.

Most development review processing fees are assessed at the beginning of the review process, with other fees due at the time of building permit application and issuance. When applicable and appropriate, some public improvement and infrastructure fees may be paid at a later time during the construction process, such as certificate of occupancy.

The City of Santa Barbara is somewhat unusual in the State in that there are no other programmatic impact fees and other exactions that are charged to all new residential projects. This is not an oversight. In the past, the City has had traffic improvement and other programmatic assessment fees to address major infrastructure deficiencies. Since the early 1990s, the City's transportation focus has been on supporting alternative modes of transportation and transit use and not road widening projects. Developing a fee program for transit operating costs is very complicated and yet to be implemented. The City does not currently impose any additional schools, parks or other fees, exactions or assessments on new residential projects.

It should be noted that the fee tables in Appendix F do not take into consideration any Inclusionary Housing Fees. Currently, the fee for each unit of inclusionary housing not provided on-site is \$360,000 (for projects with 10 or more units). For example, a 10-unit development would require two inclusionary units; therefore the development would likely consist of 12 units (10 market-rate and two inclusionary units). The City encourages construction of the unit(s), rather than payment of the in-lieu fee. Developments with less than 10 units pay \$15,500 per unit (May, 2010) in the development, unless an inclusionary unit is provided on site.

It also is important to note that the fees charged by the City do not recover the full cost of processing the applications. The City currently subsidizes a considerable portion of the development review process fees. The City evaluates its fees, and if appropriate, increases development review fees periodically. As part of any City Council discussions to significantly increase development review fees, it may be appropriate to discuss the reduction, or elimination, of fees for subsidized affordable housing projects.

### Inclusionary Housing Ordinance

The City adopted its Inclusionary Housing Ordinance (IHO) in 2004. This Ordinance implements policies of the 2004 Housing Element. The IHO is intended to encourage housing opportunities for a broad range of households with varying income levels, promote the City's goal to add affordable housing units to the existing housing stock, and increase the availability of housing for middle and upper middle-income households. The IHO also serves to protect the economic diversity of the City's housing stock, reduce traffic, commuting and related air quality impacts, and reduce the demands placed on transportation infrastructure in the region. Further, the IHO implements policies contained in the 2004 Housing Element requiring the adoption of an inclusionary housing program to meet the housing needs of those not currently served by the City's Housing and Redevelopment Agency programs and encourage the development of housing for first time homebuyers, particularly moderate and middle-income households.

The IHO requires that all residential developments of 10 or more dwelling units provide 15 percent of the total units as "inclusionary units." Inclusionary units must be offered for sale as units restricted for owner-occupancy by middle-income or upper middle income households. The required inclusionary units are in addition to the density allowed by right on the site, and therefore a lot area modification is not required to exceed typical density for these units.

In 2009, the IHO was amended to require in-lieu fees for projects of two to nine units rather than provide the restricted units. As of May 2010, the current in-lieu fee is \$15,500 per unit. In-lieu fees may be reduced depending on the average size of the dwelling units. Additionally, the timing of fee payment varies according to the type of development and the number of units.

Collected in-lieu fees are used for the purchase and resale of middle and upper middle-income affordable units that are in default, thereby preserving the long-term affordability of such units. The fees may also be used to subsidize the creation of affordable middle and upper middle-income units.

Rental units, replacement of units which have been destroyed by acts of nature, and residential developments that provide at least 30 percent of the units affordable to upper-middle-income (or lower income) households are not subject to the requirements of the IHO. For more details see Appendix F, Zoning Information and Fees, *Inclusionary Housing Ordinance*.

There is concern by some developers that the IHO requirements impede, rather than promote the construction of additional workforce housing. Consequently, these requirements could constrain residential development. Nevertheless, the City believes it is necessary to support the development of non-subsidized affordable workforce housing in order to offer housing opportunities to middle and upper middle income households that cannot afford to purchase at market rate prices. For instance, the median price of a two-bedroom condominium unit in the City is about \$470,000. This is not affordable to most middle-income households. A two-person household with an income up to about \$91,000 is considered to be "middle-income," and such a household could not afford a unit at this price (absent a huge down payment). The price of a two-bedroom inclusionary unit is approximately \$297,000, which is much more affordable to a middle-income household.

Based on community dialogue during the General Plan Update process, there is support for non-subsidized price restricted affordable housing units. Given this community goal, Implementation Action H11.3 considers a 15-25 percent inclusionary housing provision for new residential ownership developments. Likewise in response to concerns by developers, H11.3 directs amendments to the existing IHO to allow the elimination or reduction of inclusionary housing in-lieu fees based on preferred residential development (e.g., affordable or special needs housing). It would also reduce the inclusionary housing in-lieu fee for smaller

units. Recognizing the current economic climate, a provision would be included in the amended IHO that allows the suspension of the inclusionary housing requirements or in-lieu fees during times of economic downturn, if development costs prove to be prohibitive.

Although considered a development constraint by some developers, the IHO has been welcomed by others, as it provides a level of certainty to the type of affordable housing requirement that will be imposed on residential development projects. It is anticipated that the amendments to the IHO as prescribed by Implementation Action H11.3 will provide additional options and incentives that encourage the development of non-subsidized workforce affordable housing units.

### **Housing Constraints for Disabled Persons**

Pursuant to State legislation effective January 2002, the Housing Element examined housing constraints for disabled persons and the City's efforts to make reasonable accommodations. The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. The Fair Housing Act requires residential buildings with three or more units to incorporate design elements, including adaptive interior design features, accessible public and common use areas, and wheelchair access. The City complies with these requirements by ensuring that all plans meet Title 24 accessibility standards, which are based on the Fair Housing Act. The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. Requirements for building permits and inspections are the same as for other residential uses. The City has not identified any zoning or regulatory practice that discriminates against persons with disabilities, thereby impeding housing opportunities for disabled persons.

In 2007, the City's Municipal Code was amended to incorporate reasonable accommodation provisions for persons with disabilities. The Ordinance ensures that persons with disabilities are provided equal access to housing. Specifically, the Municipal Code was revised to:

- Allow accessible uncovered parking spaces, access aisles, and accessibility ramps necessary to make an existing building accessible to disabled individuals to encroach into required setbacks.
- Require all parking areas, except those located in one- and two-family dwelling zones, to provide parking spaces which are accessible to disabled persons. The conversion of an existing parking space to an accessible parking space or access aisle for an accessible parking space would not require a modification of the parking requirement even if the conversion would result in fewer parking spaces than required (Municipal Code Section 28.90.070).
- Allow modifications to any zoning standard when necessary to make an existing residential unit accessible to persons with disabilities (Municipal Code Section 28.92.110).

The City uses the modification and administrative approval process to remove constraints and meet the needs of disabled persons trying to comply with Building and Zoning requirements. For example, the City administratively allows applicants to provide reduced parking when parking for disabled is provided without going through the modification hearing process. Encroachments into yard areas for access ramps for disabled persons are allowed without requiring a modification hearing process. Accessibility guidelines are distributed by City Staff to builders explaining Federal and State laws regarding accessible building codes for housing for persons with disabilities.

The City's Municipal Code defines "family" as a residential unit or a person or group of persons living together as a domestic unit in a single residential unit. Occupancy of unrelated individuals in a residential unit or group home is not restricted by the City. Residential care facilities of six or fewer individuals are allowed by right. The City has no authority to approve or deny residential care facilities of six or fewer individuals, except for compliance building code requirements pursuant to State law.

Residential care facilities serving 7-12 individuals are permitted with a Performance Standard Permit (PSP) in the A, E, R-1, R-2, R-3, R-4 and PUD zones, as well as the HRC-2 zone where residential uses are allowed. A PSP may be granted to those uses that are relatively minor in nature, but due to their unique features warrant consideration and review by the Staff Hearing Officer. The denial or approval of a PSP may be suspended or appealed to the Planning Commission. The Chairperson, Vice Chairperson or other designated member of the Planning Commission may take action to suspend the decision of the Staff Hearing Officer and schedule a public hearing before the Planning Commission to review the decision.

Residential care facilities serving more than 12 individuals are permitted with a Conditional Use Permit in the A, E, R and C zones. These facilities are approved by the Planning Commission and on appeal by the City Council. The City does not impose maximum concentration requirements for residential care facilities.

## **Public Resources and Infrastructures**

Resource availability and infrastructure capacity have been of great concern to the citizens of Santa Barbara and have been among the parameters within which both residential and commercial development potential in the City has been established. Resources such as water, clean air, land, and traffic capacity are particularly relevant to the development of housing.

### **Water Availability**

Fresh water is a scarce commodity in Santa Barbara County. In the past, the City has largely depended on local rainfall to provide fresh water to its residents. This dependency on the elements results in an inconsistent supply of water. As a result, the City has taken action to acquire more stable long-term water supplies.

The City of Santa Barbara's water supply presently comes from the following sources, with the actual share of each determined by availability and level of customer demand: Cachuma Reservoir and Tecolote Tunnel, Gibraltar Reservoir and Mission Tunnel, contractual transfers from adjacent water districts, groundwater, State Water Project entitlement and recycled water. Conservation and efficiency improvements are projected to continue to contribute to the supply by displacing demand that would otherwise have to be supplied. Santa Barbara also owns a desalination plant (presently decommissioned) that is identified as a potential supply source in the event of an extended drought.

In 1994, based on the comprehensive review of the City's water supply in the Long Term Water Supply Alternatives Analysis (LTWSAA), the City Council approved the Long Term Water Supply Program (LTWSP). The LTWSP outlines a strategy to use the above sources to meet the maximum projected demand of 17,900 acre-feet per year (AFY), (including 1,500 AFY of demand projected to be met with conservation), plus a 10 percent safety margin, for a total of 19,700 AFY. Therefore, the target for the maximum amount of water the system will actually have to supply, including the safety margin, is 18,200 AFY. On June 14, 2011, an update to the 1994 LTWSP was adopted by the City Council. The updated Plan states that the normal demand is approximately 14,000 Acre Feet Year (AFY).

Weather will continue to cause variability over time in some sources of the water supply, such as local reservoirs and the State Water Project, and global climate changes may potentially cause greater variability or reduction in some supplies. The City retains the option of reactivating its desalination plant as a back-up source, which has the potential for supplying the entire City water demand, however at a substantial financial cost and energy use. Long-term water availability could therefore be considered a moderate constraint to development.

### **Sewer Capacity**

The maximum capacity of the El Estero Wastewater Treatment Plant (El Estero) is 11 million gallons per day (MGD) and the peak dry weather flow capacity is 19 MGD. El Estero currently operates at 73 percent of its capacity, treating approximately 8.0 MGD of wastewater.

Recently the City has spent \$12 million to upgrade the El Estero facility. The plant was originally designed to treat the wastewater for a population of 104,000, which was the anticipated population for the City in 2012. With the renovations, the El Estero is now capable of treating wastewater demands for the next 10 or more years. Sewer capacity is not expected to constrain new development.

### **Air Quality**

Air pollution contributes to a lessening of quality of life and potential health effects. The regional South Coast Air Basin is influenced by local topographic and meteorological conditions, including variable wind flow and periodic inversion layers that may preclude dispersal of pollutants and result in air stagnation and smog. Sources of air pollutant emissions contributing to smog production include motor vehicle exhaust, stationary sources such as from industry, and offshore oil production and natural oil seepage. In addition, particulate matter, a lung irritant, results from sources such as road dust, construction and demolition, engine exhaust, and agriculture.

The largest contributor to our locally generated air pollution is on-road mobile sources (cars and trucks), which contribute over 60 percent of the reactive organic gases and 88 percent of the emissions of oxides of nitrogen (precursors that combine to form ozone). In recent decades, the number of registered automobiles in Santa Barbara County has increased at rates higher than population growth. The number of vehicle miles traveled by local motorists has also increased. The increasing use of automobiles for personal transportation makes it difficult to improve local air quality.

Air quality planning to attain required Federal and State air quality standards is based on land use and population growth projections for the region. Attaining air quality standards also depends on controlling emissions from industry. As long as the County remains in “non-attainment” status for some regulatory standards, air quality will remain a constraint to new development.

### **Proximity of Residential Land Uses to U.S. Highway 101**

The City continues to encourage in-fill residential and mixed-use development, sometimes in close proximity to roadways, including U.S. Hwy 101, and sometime adjacent to commercial-industrial uses. Thus, future residents, particularly children living in such locations could be exposed to higher pollutant levels with associated health effects.

Based on recent studies pertaining to sensitive receptors, the California Air Resources Board (CARB) has provided a recommended setback guideline for sensitive receptors of 500 feet from urban roads with 100,000 vehicles per day. City surface and arterial streets carry lower traffic volumes, making U.S. Hwy 101 the only roadway with the potential to affect sensitive receptors.



In 2009, the City conducted a special study to review potential hazards associated with development near the freeway. The analysis showed that new vehicle standards, diesel fuel reformulation, as well as CARB-adopted Diesel Risk Reduction Measures have resulted in lower diesel particulate emissions, thereby reducing potential cancer risks near freeways. Based on these changes, as well as the level of traffic volumes and meteorological conditions in the City, the analysis recommended that a 250-foot setback would be more appropriate for the City.

In response to the CARB setback guideline and the City's analysis of an appropriate setback for residential development or other sensitive receptors, new units (excluding minor additions, remodels, or one new unit on vacant property) within 250 feet of U.S. Hwy 101 will not be allowed until the CARB phased diesel emissions regulations are implemented and diesel emission risks reduced. This interim restriction will result in a constraint to the production of housing.

### **Land Availability**

Santa Barbara is a mature city, and not much vacant land remains for residential or nonresidential development. Most of the residentially zoned vacant land that remains is on steep slopes and is unsuitable for the density required to provide lower income housing. The City encourages infill and redevelopment to provide housing within the City, specifically in the commercial Downtown along main transit corridors, and surrounding multi-family residential zones (see Suitable Sites Inventory). In addition, the City continues to encourage mixed use incentives and increased densities to promote the production of affordable housing for its residents.

### **Traffic Capacity**

Traffic levels are another component of quality of life. Traffic flow on urban street networks is most restricted at intersections. Intersection levels of service (LOS) are identified by letter grades of A-F, with LOS A indicating free flowing conditions and LOS F representing substantial delay from excessive volume of cars within a specified intersection capacity. As part of its General Plan Circulation Element, the City adopted a policy goal of LOS "C" for acceptable traffic levels at signalized intersections.

For purposes of environmental impact evaluation for new development, City guidelines identify significant traffic impacts with added peak-hour traffic (i.e., morning and afternoon commuter traffic) that causes intersections to exceed 0.77 volume-to-capacity ratio (V/C) or contributes peak-hour traffic to intersections already impacted at 0.77 or greater V/C. Presently, the City has thirteen intersections with levels of service within the LOS C range or worse during peak-hour traffic. With the addition of cumulative traffic associated with approved and in-process projects, traffic levels would exceed the City's LOS C policy goal for some additional intersections during the peak hour.

The City Council has established a commitment to the development of housing as a high priority, and has retained the option for approval of housing projects even with significant traffic impacts, through the adoption of findings of "overriding considerations" about the benefits of housing development. Nevertheless, under State law, projects with potentially significant traffic impacts must undergo an environmental review process prior to consideration for approval, which adds to the constraints of housing development.



## **Energy Conservation**

To promote energy conservation, an ongoing goal of the City has been to achieve maximum use of conservation measures and alternative, renewable energy sources in new and existing residences. By encouraging and assisting residents to utilize energy more efficiently, the need for costly new energy supplies, and the social and economic hardships associated with any future shortages of conventional energy sources will be minimized.

### **Architectural Board of Review Guidelines**

One of the goals of the City's ABR is to improve the general quality of the environment and promote conservation of natural and manmade resources of the City. The ABR Guidelines state that buildings shall be designed and oriented to maximize energy efficiency and conservation including the design of lighting. All feasible passive and active solar design principles are encouraged. Shading of westerly building exposures is encouraged and winter sun should be allowed on roofs, patios and buildings.

The ABR Guidelines encourage applicants to incorporate green building design principles and use energy efficiently. In 2006, the City adopted Solar Energy Guidelines and a Solar Recognition Award Program that encourage the installation of solar energy systems. Buildings that conserve resources and use renewable sources of energy, including solar, wind, and biomass are supported if the design maintains an acceptable aesthetic quality and fits into the site and neighborhood. Solar Energy Systems Awards are given out to development projects that demonstrate high-performance and aesthetically designed solar energy systems. In regards to water conservation, the ABR Guidelines require that landscaping and plant selection be planned with consideration for water conservation.

### **Solar Access and Design Guidelines**

The City's Solar Access and Design Guidelines are utilized in the review of new residential development and subdivisions. The guidelines provide guidance on subdivision design, including street configuration and building orientation, building siting, and landscape design. Santa Barbara Municipal Code §28.11, Protection and Enhancement of Solar Access, was adopted to ensure new residential development in residential zones does not cast a shadow on neighboring residential buildings. If shadow is cast on neighboring property, additional height limits could be imposed, or roof pitch may need to be altered, to comply with the Ordinance.

### **Green Building Requirements**

The design, construction and operation of "green" projects minimize the use of energy, water and materials while cutting waste and improving health and air quality. Reduce, reuse, and recycle are key strategies for green building. The City partners with the Santa Barbara Contractor's Association Built Green Program to promote green building techniques and practices. The "Built Green Program" has been adopted as a City standard rating that provides incentives for priority plan check review. In addition, certain single family residential units in excess of 4,000 square feet must be designed to achieve a two-star "Built Green" or equivalent rating.

### **Water Conservation**

A significant amount of energy in California is used for water distribution. Saving water saves energy. Promoting water efficiency is the goal of the City's Water Conservation Program. As part of the program, a Water Conservation Inspector will examine homes or businesses and inspect the water system at no cost. Inspection usually includes an examination of the meter and fixtures for leaks, a performance test of the irrigation system, and specific recommendations for increased water efficiency. The City currently provides free information on water efficient use in landscaping and irrigation, indoor water efficiency, free low flow shower heads and toilet rebate program.

Energy conservation in new development is regulated by Title 24 of the California State Law and is enforced by the City. The City does not have a program to encourage developers to propose energy conservation measures above Title 24 requirements. The General Plan Update includes implementation actions that address water conservation practices, including the use of recycled water. Given the climate of the Santa Barbara region, building costs are not significantly increased due to the incorporation of state energy regulations.

### **Coastal Zone Housing**

State law has special requirements for Coastal Zone jurisdictions. The following information complies with those special requirements. Over the years, this information has been placed in the Government Constraints section. City requests to increase housing opportunities in the Waterfront have been rejected by the Coastal Commission. Policies and strategies to protect and provide affordable housing in the City (including the Coastal areas) are provided in the Goals, Policies and Implementation section.

- Since January 1982, 109 new housing units have been approved for construction in the City's Coastal Zone. This includes the 40-unit Yanonali Street condominium project. None were required replacement units. Since 1982, 156 hotel rooms in El Escorial have been converted to condominiums.
- Twenty-four (24) units for low and moderate income households were required to be provided as a result of projects approved either within the Coastal Zone or within three miles of it.
- Eighteen (18) units were occupied by low and moderate income households and were authorized to be demolished or converted in the Coastal Zone since January 1, 1982.
- One (1) unit for low and moderate income households was required either within the Coastal Zone or within three miles, in order to replace those being demolished or converted.

In 2005, the Ocean-Oriented Commercial (OC) Zone was established to achieve balanced use in the City's Waterfront and maintain the small scale, local character that is unique to this area. The zone is intended to foster a vital, mixed-use neighborhood and preserve and protect the coastal environment.

After working through concerns expressed by Coastal Commission staff regarding residential uses in the OC zone, agreement was reached to limit new residential development to mixed-use projects where residential use is no more than 70 percent of the project floor area on lots north of the railroad tracks. The OC zone also exempts affordable housing projects comprised exclusively of units affordable to very, low, or moderate-income households from the mixed-use requirements. Further, the OC zone allows existing residential uses to be rehabilitated, remodeled and expanded up to 20 percent of the existing floor area.

## NON-GOVERNMENTAL CONSTRAINTS

### Land Costs

Land costs are affected primarily by regional supply and demand factors. Santa Barbara is a highly desirable area due to its pleasant climate, scenic views, beautiful architecture and charming ambience. In addition, Santa Barbara is a regional center for employment, education, health care, entertainment and the arts. Therefore the demand for developable land is very robust.

Several factors limit the supply of land. Geographically, the City occupies a narrow shelf of land situated between the ocean and the mountains. The City is essentially built out, leaving little developable vacant land. Therefore, the City's desirable location coupled with very limited developable land ensures that real estate values remain high, even in periods of decline in the regional housing market (Strategic Economics 2009).

The overall average price in the City for residential land is \$107 per square foot. This high land value reflects the scarcity of developable land. The demand to live in Santa Barbara is so much greater than the supply of land on which to build residential development that landowners are willing to hold out for extremely high prices rather than sell at prices that reflect the current decline in development or home prices (Strategic Economics 2009).

High land costs may make affordable housing development infeasible unless expected rents or sales prices are high enough to recover the additional land costs. Therefore, high land costs are a primary constraint in the production of affordable housing.

### Construction Costs

Construction costs have also increased considerably. There are few means available to the City for reducing construction costs. The City encourages higher densities for affordable housing projects through the state density bonus which helps produce economies of scale. The City is currently considering a 10 percent reduction in the minimum sizes required for rental units. Architects have also helped limit construction costs by creating simple, open designs and calling for less expensive but durable materials.

### Financial Costs

The availability of conventional financing for affordable housing development has remained steady. Although financing generally is more difficult to secure, recent affordable housing projects have been successful in securing financing. The active nonprofit developers have excellent track records, and banks are meeting their obligations under the Community Reinvestment Act. In addition, the cost of financing has decreased, as interest rates have dropped to record lows.

Cost increases for land and construction have resulted in a dramatic increase in the amount of subsidy needed to make housing affordable to low income households. The City has increased its typical subsidy to approximately \$100,000 per unit and higher. Since the amount of funds available to the City has increased only slightly, the increased need for subsidy reduces the City's ability to produce affordable housing. During the recession, construction costs have dropped considerably and land costs have dropped slightly. However, the costs to arrange financing have soared.

Finding funds for predevelopment has always been a formidable challenge for affordable housing developers. Very few lenders are willing to finance this very risky stage of project development. The City received a ten-year \$750,000 loan in 2000 from the California Housing Financing Agency's HELP program to capitalize a revolving predevelopment loan fund. These funds assisted the construction of 163 affordable rental housing units. The HELP loan was repaid to the State in 2009. The City's Redevelopment Agency has also provided predevelopment assistance.

Community opposition to the development of affordable housing has not been a severe constraint in Santa Barbara. Due to strong local community participation that is actively encouraged, Santa Barbara generally experiences less "NIMBY-ism" than other communities. High quality design and solid property management result in a product that does not match the commonly held perception of what "public housing" looks like. When neighborhood opposition does arise, Santa Barbara's Planning Commission and City Council have consistently demonstrated strong support for affordable housing.



# Suitable Sites Inventory

State Housing Law Section 65583 (a)(3) of the Government Code requires that the Housing Element contain a parcel-specific inventory of appropriately zoned, available, and suitable sites that provide housing opportunities for all income segments of the community. The purpose of the land inventory is to analyze whether the City's existing residential development potential is adequate to meet the projected housing needs as identified in the 2008 Regional Housing Needs Plan prepared by SBCAG.

The City's share of the regional housing need will be met through a variety of ways, including building permits issued, approved units, and pending units since the beginning of the Regional Housing Needs Assessment (RHNA) planning period in 2007. In addition, available vacant and underutilized land in residential and commercial zoned areas will be included. A thorough land inventory is intended to identify whether additional governmental actions are needed in order to provide enough sites with appropriate zoning, development standards, and infrastructure capacity to accommodate the Regional Housing Needs Allocation (RHNA).

The evaluation of suitable development sites includes a listing of individual parcels by Assessor's Parcel Number (APN), size of parcel, zone classification, and general plan designation. Existing use, allowable residential density, and the realistic unit capacity are included to demonstrate the realistic development potential for each parcel. Existing constraints including environmental issues and the availability of existing and planned public service capacity are also provided in the analysis.

The City's land inventory was completed using GIS land use database, County Assessor's land use codes, aerial photography, field inspections and review of the Land Use Element and Zoning Ordinance. The inventory identifies opportunity sites and estimates the potential development capacity. Both residentially and non-residentially zoned parcels which are vacant and underutilized, and could be developed with residential uses were identified. The majority of residential development potential is in the multi-family and commercial zones where the highest densities are allowed. This section of the Housing Element demonstrates that the City has the land inventory and zoning capacity to accommodate the projected local and regional housing need within existing and proposed General Plan and zoning capacities.

## REGIONAL HOUSING NEEDS ALLOCATION

Local jurisdictions are required to incorporate the Regional Housing Needs Allocation into their Housing Elements. The RHNA allocation to local agencies serves as the basis for determining if adequate sites and zoning capacity exist to accommodate the number of housing units, by income level as identified in the RHNA plan. Table H-44 provides the City's RHNA share for the 2007 – 2014 planning period by income group.

The State and SBCAG have determined that the City's RHNA number for the 2007 – 2014 planning period is 4,388 additional units, including 1,009 very low-income, 746 low-income, 746 moderate-income, and 1,887 above moderate units (Table H-44).

**Table H-44: Regional Housing Needs Allocation (2007 – 2014)**  
City of Santa Barbara

| Income Group                                                                    | Number Units | % RHNA      |
|---------------------------------------------------------------------------------|--------------|-------------|
| Very Low Income:                                                                | 1,009*       | 23%         |
| Low Income:                                                                     | 746          | 17%         |
| Moderate Income:                                                                | 746          | 17%         |
| Above Moderate:                                                                 | 1,887        | 43%         |
| <b>Total Units</b>                                                              | <b>4,388</b> | <b>100%</b> |
| <i>Source: SBCAG Regional Housing Needs Plan 2008</i>                           |              |             |
| <i>*Extremely low units make up 50% of the very low income unit allocation.</i> |              |             |

The following discussion of land inventory, zoning capacity and opportunity sites demonstrates that the City has the capacity to meet the overall RHNA number of 4,388 units. The greatest challenge will be developing financing and partnerships to develop the very low, low and moderate income housing.

## CURRENT HOUSING PRODUCTION

### Residential Building Permits Issued (2007-2009)

Between January 2007 and December 2009, the City issued building permits for 87 net new dwelling units. Table H-45 illustrates building permits issued by zone, including 83 market rate and 4 affordable units. Building permits for 20 units were issued in the City's multi-family (R-3 / R-4) zones and 28 units in the R-2 duplex zone. In the City's single family zones, 24 building permits for new single family homes were issued.

**Table H-45: Units Issued Building Permits by Zone (2007-2009)**  
City of Santa Barbara

| Zone District                             | Permits Issued<br>(# Units) | % Permits<br>by Zone | Affordable<br>Units |
|-------------------------------------------|-----------------------------|----------------------|---------------------|
| Single Family Zones                       | 24                          | 28%                  | 0                   |
| Duplex (R-2) Zone                         | 28                          | 32%                  | 0                   |
| Multi-family (R-3 / R-4)                  | 20                          | 23%                  | 4                   |
| Commercial Zones                          | 15                          | 17%                  | 0                   |
| <b>Total</b>                              | <b>87</b>                   | <b>100%</b>          | <b>4</b>            |
| <i>Source: City of Santa Barbara 2009</i> |                             |                      |                     |



### Approved Residential Units (2009)

As of December 2009, the City has approved an additional 518 net new residential units for development. These units have been approved by the City, but have not yet been issued building permits. As shown in Table H-46, the majority (394 units) have been approved in the City's commercial zones. Another 65 units have been approved in multi-family zones. In the single-family zones, 44 units have been approved and in the duplex zone, 15 units are approved for construction.

**Table H-46: Units Approved by Zone (2007-2009)**  
City of Santa Barbara

| Zone District                             | Approved Development (# Units) | % Approved by Zone | Number of Affordable Units |
|-------------------------------------------|--------------------------------|--------------------|----------------------------|
| Single Family Zones                       | 44                             | 8%                 | 0                          |
| Duplex (R-2) Zone                         | 15                             | 3%                 | 0                          |
| Multi-family (R-3 / R-4)                  | 65                             | 13%                | 4                          |
| Commercial Zones                          | 394                            | 76%                | 64                         |
| <b>Total</b>                              | <b>518</b>                     | <b>100%</b>        | <b>68</b>                  |
| <i>Source: City of Santa Barbara 2009</i> |                                |                    |                            |

### Pending Residential Development Applications

As shown in Table H-47 below, another 616 units are pending review and approval. Pending projects fulfill 14 percent of the RHNA requirement. As another indicator of the market value of residential development and the desirability of living in Downtown Santa Barbara, 371 of these units pending approval are in the City's commercial zones. This is 60 percent of all units pending review in the City.

Most of the units in commercial zones are proposed as part of mixed-use projects. The trend is for projects to be predominantly residential with a small portion of commercial use, generally on the ground floor at the street frontage. This is consistent with the City's Urban Design Guidelines that encourage residential and mixed use projects to be pedestrian friendly and not auto-focused or dominated.

Another 80 units are pending review and approval in the City's R-3 / R-4 multi-family zones. Together, 73 percent of all units pending review and approval are located in the commercial or multi-family zones and will be built as part of multi-unit, mixed-use or affordable housing projects. In the R-2 duplex-zoned areas of the City, 15 units are pending review and approval. In single family zones, 150 units are pending.

**Table H-47: Units Pending Review and Approval by Zone**  
**City of Santa Barbara**

| Zone District                             | Residential Development Pending<br>(Number of Units) | Percent Pending<br>by Zone |
|-------------------------------------------|------------------------------------------------------|----------------------------|
| Single Family Zones                       | 150                                                  | 24%                        |
| Duplex (R-2) Zone                         | 15                                                   | 2%                         |
| Multi-family (R-3 / R-4)                  | 80                                                   | 13%                        |
| Commercial Zones                          | 371                                                  | 60%                        |
| <b>Total</b>                              | <b>616</b>                                           | <b>100%</b>                |
| <i>Source: City of Santa Barbara 2009</i> |                                                      |                            |

## Summary

In total, there are 1,221 units in the development review process (pending, approved or building permit issued). The vast majority (63 percent) of the units will be built or are proposed in commercial zones and approximately 14 percent in the R-3/R-4 multi-family zones. These units will be built as or are proposed to be part of multi-unit, mixed use or affordable housing projects. Detached single family homes in single family zones comprise only 17 percent of the pipeline projects. Overall, these 1,221 pipeline units would fulfill 28 percent of the City's Regional Housing Needs Allocation of 4,388 units.

## SUITABLE SITE INVENTORY AND DEVELOPMENT CAPACITY

To accommodate affordable housing, the land inventory focused on commercial and multi-family zones. These zones permit the highest density residential development, and have the zoning capacity and policy incentives for infill and redevelopment. It is recognized that the higher density residential and commercial zones that allow mixed-use development, provide the potential for lower construction costs because of existing infrastructure and economies of scale, and are therefore most suitable for development of housing affordable to very low- and low income households.

Sites identified in the land inventory as having the greatest potential to accommodate housing affordable to lower-income households allow increased densities ranging from 15-36 du/acre, and up to 63 du/acre in the Priority Housing Overlay areas. Higher densities, along with substantial city subsidies are required to meet the RHNA allocation for very low, low and moderate-income households. The City is also concerned about home ownership opportunities for middle income households. Given current market conditions, these opportunities are also more likely to occur in multi-family development. Multi-family developments allow the land and construction costs to be spread or shared by more units.

In 2008, the City prepared the *Development Trends Report*, which presents database information on residential and non-residential development trends over an 18-year timeframe (1990-2007). This report confirmed the increasing amount of residential development activity in the multi-family and commercial zones. It also showed that commercially zoned properties, especially in the Downtown area, largely redevelop with less commercial square footage than existed and/or maximize residential densities. This trend continues today, illustrating that it is reasonable to assume that underutilized opportunity sites, even those currently developed with non-residential structures, could be expected to redevelop with higher density residential units.

Additionally, in an effort to help the City Council and residents visualize higher density residential development, a design charrette was held in July 2011. Local architects, designers, landscape architects, developers, and land use planners designed a number of prototype housing projects using selected opportunity sites. Among the objectives of the charrette was to draft well designed residential projects that maximize economically viable “workforce” housing.

This exercise revealed that efficient use of land is important. Contiguous opportunity sites were combined to accommodate residential development. The practice of consolidating smaller parcels is regularly used to provide adequate area for development. The opportunity sites ranged between 0.05 acres (2,000 square feet) and 0.69 acres (30,000 square feet), and when combined the project sites varied in size, up to a maximum of 1.54 acres (67,000 square feet).

All the prototype housing projects were designed to accommodate the maximum density allowed by the High Density incentive program (36 units/acre) or the Priority Housing Overlay (63 units/acre) under the Average Unit-Size Density Incentive Program. The design charrette demonstrated that smaller opportunity sites can realistically contribute to the production of higher density residential development, particularly new affordable multi-family rental and ownership housing.

Past residential development trends demonstrate that smaller opportunity sites can be developed with multi-family rental and ownership housing. Smaller lot development is generally more compatible with existing neighborhood development patterns, and therefore more likely to succeed.

Merging of adjoining parcels to acquire sufficient land area as well as allowing reduced development standard requirements, often play a part in providing affordable rental and ownership housing opportunities. It is not uncommon for developers to propose the merging of several contiguous parcels in order to accommodate their development. This practice allows smaller opportunity sites to be joined together, thus contributing to the overall lot area for the project. In addition, development standard incentives such as lot area and parking modifications are typically granted to facilitate the construction of affordable housing units. Lot Area modifications allow housing projects to exceed density standards provided that the over-density units are offered to households qualifying for affordable rents or purchase prices.

Parking reductions are allowed for projects that are 100 percent rental and affordable to very low and low income households. Reduced parking is also allowed for housing units intended for senior and disabled households. Further, the City permits reduced parking in certain mixed use developments and/or projects located in the City’s Central Business District.

The Housing Element includes Policy H10 that supports residential development on vacant infill sites, as well as the redevelopment of residentially and commercially zoned opportunity sites with residential uses. In addition, Implementation Actions H11.7 and H11.8 specifically address the development of underutilized and smaller opportunity sites. Implementation Action H11.19 was added to encourage the consolidation of underutilized and small parcels for the development of affordable housing.

The following developed sites demonstrate that smaller lots can realistically accommodate new residential development. These residential developments were facilitated by merging parcels and/or receiving development standard incentives:

- 315 W. Carrillo (El Carrillo) – Three lots were merged for a total lot area of 21,740 square feet. The site is developed with 61 efficiency rental studios affordable to low income households and one manager’s unit. This development received a lot area, unit size, setback, and parking modification to achieve a residential density of 124 units per acre.

- 335 W. Carrillo Street (Casa de Las Fuentes) – Two adjacent lots with a combined lot area of 33,750 square feet were merged to develop 42 rental units affordable to low and moderate income households. This development received a setback and guest parking modification to accommodate the residential density of 54 units per acre.
- 416 E. Cota Street (Artisan Court) – Three lots were merged for a total lot area of 39,603 square feet. The site is developed with 55 studio apartments affordable to very low income households and one manager’s unit. This development received a lot area, setback and parking modification to facilitate the residential density of 62 units per acre.
- 617 Garden Street (Building Hope) – Fifty-one rental apartment units affordable to very low income households are developed on a 39,444 square foot site. This mixed use project received a lot area and parking modification to accommodate the residential density of 56 units per acre.
- 712 Chapala Street (Paseo Chapala) – Two lots were merged for a total lot area of 38,250 square feet. This site is developed with a mixed use project consisting of 29 for purchase condominiums (21 market rate, 3 middle income, and 5 moderate income units) and received an open space and parking modification to accommodate the residential density of 33 units per acre.
- 121 W. De la Guerra – Fourteen for sale condominiums (11 market rate and 3 middle income units) are developed on this 22,500 square foot site. This development received a lot area and open space modification to accommodate the residential density of 27 units per acre.
- 328 Chapala Street (Chapala Lofts) – Seventeen for sale residential condominiums (14 market rate and 3 moderate income units) are developed on a 25,000 square foot site. This development received a lot area modification to accommodate the residential density of 28 units per acre.

### **Suitable Opportunity Sites**

Following the analysis of residential projects in the pipeline, the City assessed the commercial and multi-family zones for opportunity sites or those parcels determined to be feasible and desirable for residential redevelopment within this planning period. Increased housing development in and around the City’s Downtown area and along transportation corridors is encouraged by the General Plan. In the mid-1990’s, the City purposefully restricted commercial development to 3 million square feet (through December 31, 2009) and encouraged residential development on commercial properties to improve the jobs/housing imbalance. As evidenced by the City’s development trends for the past 20 years, the restriction of non-residential square footage has been successful in producing additional housing units.

Given the market and development trends illustrated by the pipeline projects, residential development in commercial zones has increased. This is consistent with the goals and policies established in the City’s Land Use and Circulation Elements as well as the historical pattern of development targeting higher density development in the Downtown area near jobs, transit and recreation / cultural activities.

Unlike many other cities in the State of California, the City of Santa Barbara has a long established practice of allowing and encouraging residential development in commercial zones. Residential development is allowed throughout the City, except in the relatively small industrial area of the City (less than 1 percent of the total land area) and in portions of the City’s Coastal Zone as dictated by Coastal Act land use priorities.

Residential development is allowed in most commercial zones at densities ranging from 28-36 du/acre. In addition, a Priority Housing Overlay meant to encourage affordable rental, employer and co-operative housing would allow densities from 49-63 du/acre. These densities are intended to promote small, more affordable units that provide affordable housing opportunities for the community, particularly the City's local workforce. The smaller the average size of the unit, the greater the density allowance, up to a maximum 36 du/acre (63 du/acre with the Priority Housing Overlay) in most commercial zones. Likewise, in the R-3/R-4 multi-family zones, densities ranging from 15-27 du/acre are permitted based on average unit size. This approach is designed to discourage the proliferation of large, luxurious and costly units, while concentrating densities in the most sustainable locations (e.g., near transit, access to commercial services, access to parks and open space, etc.).

As part of the General Plan Update (*Plan Santa Barbara*) process, non-residential development is limited to 1.35 million square feet to the year 2030, which is a reduction from the prior General Plan non-residential development allocation of 3 million square feet. Based on the City's past development trends, it is expected that the outcome of the non-residential growth limitation will continue past trends and result in more housing production.

## **Residential Development Potential in Commercial Zones**

### **Suitable Opportunity Sites in Commercial Zones**

An inventory of vacant and underdeveloped parcels in commercial zones was undertaken to identify their build-out potential. The analysis used the City's GIS land use database and the County Assessors land use codes. Aerial photography and site inspections were also used to verify the status of certain parcels. The following steps were taken and assumptions made to calculate the residential development potential in commercial zones:

- All non-residentially zoned parcels were identified in the database.
- Non-residentially zoned parcels that do not allow residential use (i.e. M-1, OM-1, HRC-1, portions of HRC-2 and C-X overlay zone) were removed from the database.
- The improvement value per square foot for each property was calculated using the County Assessor's improvement valuation for the parcel (Assessor's Improvement Value divided by the lot size).
- Public land, including parks was removed from the database.
- Parcels with historic buildings (Landmarks or Structures of Merit) or owned by the State of California and part of El Presidio were removed from the database.
- Parcels with significant environmental constraints associated with biological resources, floodplain, air quality, and creeks or slopes of 30 percent or more were removed from the database.
- Low improvement value per square foot of lot area was used to determine which non-residential zoned parcels were more likely than others to redevelop with residential uses, (generally \$27/square foot of lot area or less). The low improvement value per square foot was based on the analysis of 30 pending residential projects in commercial zones with the average improvement/area value of \$26.7/square foot.

- Commercially zoned parcels identified in the inventory fall within two land use designations, Medium High Density and High Density. The Medium High Density designation allows 15-27 du/acre and the High Density designation allows 28-36 du/acre depending on the average unit size of the residential development.
- To assess a realistic development potential for the commercial parcels designated Medium High Density (15-27 du/acre), a 20 du/acre build-out potential was assumed.
- To assess a realistic development potential for the commercial parcels designated High Density (28-36 du/acre), a 30 du/acre build-out potential was assumed.
- Development potential on these opportunity sites assumed that all existing improvements on the property would be redeveloped at their full residential potential.

The suitable sites inventory identified 808 opportunity sites with residential development potential in commercial zones. Based on the above steps and assumptions there is the potential to produce approximately 4,640 additional residential units on these parcels.

## **Residential Development Potential in Multi-Family Zones**

### **Suitable Opportunity Sites in Multi-Family Zones**

As stated above, the highest residential densities are allowed in the City's commercial and multi-family zones. Vacant and underdeveloped R-3 and R-4 sites were identified using the GIS land use database and County Assessor's land use codes. Aerial photography and site inspections were also used as needed.

Historically, the City has encouraged the redevelopment of aging housing stock to more intense multi-family apartment or condominium development as allowed by the zone. The Zoning Ordinance states that the R-3 and R-4 zone is intended to be "...a residential district of high density in which the principal use of land is for multiple-family dwellings..."

A recent trend has been to demolish aging housing stock and to replace it with multi-family development, typically condominiums. In some cases, this has been supported by the neighborhood as appropriate recycling and improvement of the housing stock. In other cases, concerns have been raised about the loss of historic resources or housing that was "affordable" by virtue of its aging conditions or incompatibility with the neighborhood.

The City's General Plan Conservation Element provides policy context and direction for protection of cultural and historic resources in our built environment as well as visual resource protection in our hillside and open space areas. With respect to historic resources, existing City policies and the Master Environmental Assessment (MEA) provide guidance to protect resources. Further, the City has responded by initiating historic surveys. The City recently completed two architectural and historic resource survey areas, including the Lower Riviera neighborhood. A demolition control ordinance to preserve historically significant resources has also been adopted.

The following steps were taken and assumptions made to identified opportunity sites and calculate the residential potential in Multi-Family zones (R-3/R-4 zones):

- Vacant parcels 3,000 square feet or more were included in the inventory.
- Underdeveloped parcels are those larger than 4,900 square feet with an existing single family residence. For the purposes of this development potential / zoning capacity inventory, no further research was made into the condition, quality or historic nature of the existing residence. It was

assumed that one existing unit on a lot in a multi-family zone was “underdeveloped.” It should be noted that this exercise is not unlike the analysis nonprofit and for profit developers, realtors or other development professionals undertake to identify prospective projects.

- Parcels with significant environmental constraints associated with biological resources, floodplain, air quality, and creeks or slopes of 30 percent or more were removed from the database.
- R-3/R-4 zoned parcels identified in the inventory fall within two land use designations, Medium High Density and High Density. The Medium High Density designation allows 15-27 du/acre and the High Density designation allows 28-36 du/acre depending on the average unit size of the residential development.
- To assess a realistic development potential for the R-3/R-4 parcels designated Medium High Density (15-27 du/acre), a 20 du/acre build-out potential was assumed. For the parcels designated High Density (28-36 du/acre) a realistic development potential of 30 du/acre was assumed.

The suitable sites inventory identified 574 opportunity sites with residential development potential in multi-family zones. Based on the above steps and assumptions, there is the potential to produce approximately 944 additional residential units on these parcels.

### **Residential Development Potential in the Duplex Zone**

The City next assessed the City’s R-2 duplex zone for development opportunities. The City’s R-2 zone is a Medium Density residential district (12 du/acre). The principal use of the land is for two-family dwellings.

#### **Suitable Opportunity Sites in the R-2 Zone**

Vacant and underdeveloped parcels in the R-2 zone were identified using the City’s GIS land use database and the County Assessor’s land use codes. The following steps were taken and assumptions made to identified opportunity sites and calculate the residential potential in R-2 zones. Identifying opportunity sites in the R-2 zones utilized a two-step process:

- Vacant R-2 parcels were identified for the inventory. Some parcels were removed from the land inventory due to their small size. Other parcels had their development potential reduced to 20 percent due to steep slopes.
- All underdeveloped parcels greater than 4,900 square feet with only one single family residence currently on site were included in the inventory. This step included parcels between 5,000 – 6,000 square feet that were recently made eligible for duplex development.

A total of 902 opportunity sites were identified and are dispersed throughout the R-2 zoned areas in the City. The development potential on underdeveloped opportunity sites in the R-2 zone is approximately 1,023 units.

### **Residential Development Potential in the Single Family Zones**

The City’s single family zones include the following categories:

- A-1 One acre minimum lot size
- A-2 25,000 square feet minimum lot size
- E-1 15,000 square feet minimum lot size



- E-2     10,000 square feet minimum lot size
- E-3     7,500 square feet minimum lot size
- R-1     6,000 square feet minimum lot size

The corresponding General Plan designations for these zoning categories include residential densities ranging from 1 - 5 units per acre. The General Plan also identifies many of these areas to include open space, major hillsides and visual resources. In the steeper hillside areas, the General Plan envisions significantly lower densities, as low as one dwelling unit for every 10 or more acres. Approximately 50 percent of the City's single family zones are in the High Fire District.

While vacant undeveloped land is believed to be easier to develop than infill development in the City of Santa Barbara, the majority of vacant land remaining is located in the single family zones. These vacant parcels are typically located in the hillsides and face significant development constraints such as steep slopes, proximity to creeks, poor soil conditions, and limited or expensive access to City water and sewer services.

Given the City's focus and emphasis on infill and multi-family residential development in and around the City's commercial core, the City looked at an inventory of vacant land zoned for single family residential development as the last step and least likely to develop further.

Vacant parcels in the City's residential zones were identified using the GIS land use database and County Assessor's land use codes. Aerial photography and site inspections were also used to verify the status of certain parcels. As mentioned above, significant site constraints may exist on many of these lots rendering the development potential to be limited and difficult at best. Further, the City has policies in place regarding hillside protection, conservation of open space, avoiding development in high fire areas and limiting development on steep slopes.

To develop a more realistic estimate of the development potential on single family lots for the Housing Element planning period, the City looked closer at parcel size and City's slope density requirements. The City's slope density requirements mandate that any parcel with an average slope of over 10 percent provide increased lot area requirements based on the zone. In single family zones, parcels with slopes of 30 percent or greater must provide three times the standard minimum lot size requirements. This is often difficult to achieve especially in the steeper areas and higher reaches of the City's foothills. Further, development of these constrained hilly sites often encounter geologic, biologic or other environmental constraints that often requires extra care, caution and special studies in the development and design phases.

Therefore, for the purposes of this RHNA analysis, it was assumed that only 20 percent of the entire parcel with slopes over 30 percent had realistic development potential within the 2011 Housing Element planning period. Approximately 114 vacant and underdeveloped sites in single family zones were identified for the inventory. The estimated development potential on these sites is 201 units.

It should be noted that the City has a Secondary Dwelling Unit Ordinance and development standards that are highly protective of single family neighborhoods. The City ordinance prohibits second units in high fire areas (approximately 50 percent of the City's single family zones). For these reasons, very few secondary dwelling units have been built. To date, the City has permitted only fifteen units. For the purposes of meeting the City's RHNA, it is not realistic to think that a substantial increase in secondary dwelling units will occur even with the passage of new state legislation streamlining the permit process. It is not the process but the development standards that make significant building of second units in single family zones unlikely.

### Suitable Sites Inventory Summary

Table H-48 provides a summary of the City's vacant land and opportunity sites analysis by project status and by zone district type. Appendix H, Available Land Inventory Table, of the General Plan, provides a parcel-by-parcel listing of the vacant land inventory and opportunity sites by zone.

**Table H-48: Summary of Opportunity Sites Development Potential  
City of Santa Barbara**

| Category                                                                                                             | Opportunity Sites<br># Parcels | Total<br># Units | Cumulative<br>Total<br># Units | % RHNA |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|--------------------------------|--------|
| Commercial Zones                                                                                                     | 808                            | 4,640            | 4,640                          | 106%   |
| R-3 / R-4 Multi-Family Zones                                                                                         | 574                            | 944              | 5,584                          | 127%   |
| R-2 Duplex                                                                                                           | 902                            | 1,023            | 6,607                          | 151%   |
| Single Family Zones                                                                                                  | 114                            | 201              | 6,808*                         | 155%   |
| <b>RHNA = 4,388 Units</b>                                                                                            |                                |                  |                                |        |
| <i>Source: City of Santa Barbara 2009</i>                                                                            |                                |                  |                                |        |
| <i>*The number of total units excludes potential residential units within the 250 foot U.S. Highway 101 setback.</i> |                                |                  |                                |        |

Table H-48 above demonstrates that the City has the land and zoning capacity to meet the regional housing needs allocation for this planning period. However, given land costs, construction costs and other market conditions, simply providing higher density zoning may not result in housing affordable to very low and low-income households in Santa Barbara. The City's experience is that it requires community partnerships and public subsidies to provide housing available to very low, low and even moderate income households. Over the past 20 years, the City has been very successful in providing and leveraging funds, developing partnerships, identifying and acting on land banking opportunities. Unfortunately, as identified in the nongovernmental constraints section, construction costs can be prohibitive.

A challenge for the 2011 Housing Element will be to identify ways to make public subsidies stretch farther, identify new sources of funding, take a closer look at what role City requirements play in the cost of construction and consider new ways to provide affordable housing. In these discussions, it will be important to recognize the positive impact the quality of design, construction and maintenance of affordable housing projects in the City of Santa Barbara has on the continued success for affordable projects. The City is fortunate to have an inventory of all types and sizes of affordable housing projects that fit well and enhance many City neighborhoods. The City has a very strong track record in partnering with nonprofit, and more recently, for-profit housing developers.

## QUANTIFIED OBJECTIVES

State law acknowledges that total housing needs identified may exceed available resources and the community's ability to satisfy this need. Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives should estimate number of housing units by income category that are likely to be built, rehabilitated, or conserved/preserved over the 2011 Housing Element planning period.

The quantified objectives do not represent a ceiling on development, but rather set a target goal for the City to achieve based on needs, resources and constraints. The City's best estimate of what could actually be constructed during the 2011 Housing Element planning period is based on historical residential development trends from 1990 to 2007. Consideration must also be given to market conditions, property owners' willingness to develop or redevelop property and implementation of the 2011 Housing Element policies and programs.

Potential residential development for the seven-year planning period was estimated by extending the average annual rate of residential units and permitting activity (pending, approved and built units) that occurred between 1990 and 2007. This calculates up to 1,057 additional residential units (average rate of 151 units/year x 7 years) to the year 2014 (Table H-49). The last two decades have been characterized by economic swings and housing market cycles. Taking an annual average over this time period renders a more realistic estimate that is consistent with development trends in the City over the past 20 years.

For the extremely low, very low, low and moderate income housing, the estimate is based on past performance and budget assumptions from affordable housing subsidy sources. Given the housing market conditions, a larger subsidy per unit is needed due to increased construction costs. Funding from the Redevelopment Agency and federal HOME program are not keeping pace. Actual funding combinations depend upon the type of project and residents to be served. Rental and sale prices for affordable units are established consistent with State and Federal requirements.

The City's quantified objective for construction of new units using public and/or private sources over the planning period is estimated to be 1,057. Additionally, approximately 210 existing units are expected to be rehabilitated, and 61 existing affordable units are projected to be preserved. The total number of housing units estimated to be constructed, rehabilitated or preserved during the 2011 Housing Element planning period is 1,328 units.

**Table H-49: Quantified Objectives (2007-2014)**  
**City of Santa Barbara**

| Income Category                           | New Construction | Rehabilitation | Conservation/Preservation | Total        |
|-------------------------------------------|------------------|----------------|---------------------------|--------------|
| Extremely Low                             | 50               | 50             | 20                        | 120          |
| Very Low                                  | 50               | 50             | 20                        | 120          |
| Low                                       | 110              | 110            | 21                        | 241          |
| Moderate                                  | 0                | 0              | 0                         | 0            |
| Above Moderate                            | 847              | N/A            | N/A                       | 847          |
| <b>Total</b>                              | <b>1,057</b>     | <b>210</b>     | <b>61</b>                 | <b>1,328</b> |
| <i>Source: City of Santa Barbara 2009</i> |                  |                |                           |              |

Appendix G contains the 2011 Housing Element Five-Year Work Program, which identifies timeframes for implementing the goals, policies and implementation actions to achieve the City's housing objectives.

# Goals, Policies and Implementation

## GOALS

- ***Housing Opportunities:*** Ensure a full range of housing opportunities for all persons regardless of race, religion, sex, age, marital status, sexual orientation, ancestry, national origin, color or economic status, with special emphasis on providing housing opportunities for low income, moderate, middle income and special needs households.
- ***New Housing Development:*** Encourage the production of new housing opportunities which are sustainable, and increase equity by providing a sufficiently wide range in type and affordability to meet the needs of all economic and social groups, with special emphasis on housing that meets the needs of extremely low, very low, low, moderate, middle income and special needs households.
- ***Conservation and Improvement of Existing Housing:*** Conserve the existing housing stock and improve its condition while minimizing displacement, maintaining housing affordability, and preventing future blight or deterioration.
- ***Regional Cooperation and Jobs/Housing Balance:*** Coordinate City efforts with those of surrounding communities towards balancing jobs and housing in the regional housing market.
- ***Public Education and Information:*** Continue public education regarding affordable housing to increase awareness of the housing needs of extremely low, very low, low, moderate and middle income and special needs households and to inform the public about existing affordable housing opportunities, available resources and programs.

## Housing Opportunities Policies

- H1. **Social and Economic Diversity.** Promote new housing programs that retain and support social, economic and ethnic diversity.
- H2. **Housing Opportunities.** Promote equal housing opportunities for all segments of the community, with special emphasis given to extremely low, very low, low, moderate, middle income and special needs households.

### ***Possible Implementation Actions to be Considered***

- H2.1 Special Needs Population. Continue to fund a wide range of housing, human and community service programs and capital projects that strive to meet the needs of children, families, seniors, disabled persons, homeless, victims of domestic violence, and others.

- H2.2 Rental Housing Mediation. Continue to fund, staff and support the Rental Housing Mediation Task Force, and publicize Rental Housing Mediation Task Force services and information on tenant and landlord rights including evictions, terminations and fair housing issues.
- H2.3 Promote Public Awareness. Continue using CDBG funds to promote equal opportunity provisions and remedies under state and federal law.
- H2.4 Enforcement Against Discrimination. If budget allows, develop adequate staffing and funding to pursue and assist the State Department of Fair Employment and Housing staff in pursuing enforcement actions against discrimination in housing under Civil Code Section 52 (c) with emphasis on discrimination against families with children in rental housing.

H3. **Homelessness Prevention.** Support programs and efforts designed to prevent homelessness.

***Possible Implementation Actions to be Considered***

- H3.1 Continuum of Care Program. Continue to implement the Consolidated Action Plan's Continuum of Care program in conjunction with adjacent jurisdictions and community-based organizations.
- H3.2 Prevention Programs. Seek funding for homeless prevention programs, such as a program to provide short-term financial assistance to households threatened by eviction due to an inability to pay rent.
- H3.3 Supportive Housing. Support the conversion of existing hotels and motels to sponsored residential hotels, Single Room Occupancy (SRO) projects, or apartments for the homeless. Develop zoning standards to encourage Single Room Occupancy and / or Efficiency Units.
- H3.4 Recreational Vehicle Park. Facilitate application for a Recreational Vehicle (RV) park through the City's permitting process. Work with the County and other local agencies to locate RV parks.
- H3.5 RV Park Program. Consider providing financial support for an RV park project if an application is submitted by a qualified sponsor/developer.
- H3.6 RV Parking Locations. Continue zoning provisions for churches and non-profits to allow overnight RV parking under limited conditions.

H4. **Homeless Shelters and Services.** Support other agencies and nonprofit organizations in their efforts to provide shelter and services for the homeless.

***Possible Implementation Actions to be Considered***

- H4.1 Year-Round Homeless Shelter. Within one year of adoption of the 2011 Housing Element, the Municipal Code shall be amended to allow as a permitted use in the C-M zone, a year-round emergency shelter without any discretionary permit requirements. Development standards and permit procedures that apply to the use shall be established to include, but not be limited to, maximum number of beds, off-street parking requirements, hours of operation, length of stay, security, etc.

- H4.2 Casa Esperanza. Continue to fund and support Casa Esperanza Homeless Shelter or other suitable shelter facilities, and encourage a broad range of such services throughout the region including services with year round programming.
- H4.3 Operational and Service Needs. Support the operational and service needs (such as child care and job training) of homeless shelter and service providers. Provide financing when possible.
- H5. **Transitional Housing Opportunities**. Increase the supply and variety of transitional housing opportunities.

***Possible Implementation Actions to be Considered***

- H5.1 Transitional Housing. Continue to fund community-based non-profit agencies, such as Transition House, to provide a range of transitional housing opportunities.
- H5.2 Regional Coordination. Coordinate with the County of Santa Barbara and the cities of Carpinteria and Goleta to develop, update and implement the Consolidated Plan's Continuum of Care programs.
- H6. **Housing Opportunities for Seniors**. Seek to ensure the availability of a range of housing opportunities with an emphasis on extremely, very low, low and moderate income seniors.

***Possible Implementation Actions to be Considered***

- H6.1 Senior Housing. Encourage the development of a full range of senior living situations, available at market and affordable rates.
- H6.2 Unit Acquisition and Rehabilitation. Continue to promote and assist in the acquisition and rehabilitation of existing dwelling units for use as affordable senior housing.
- H6.3 Upgrade Senior Facilities. Continue to facilitate private sector efforts to upgrade existing senior housing facilities, including services for seniors with long term care needs, in order to provide improved senior housing opportunities.
- H6.4 Non-Institutional Facilities. Encourage small, non-institutional facilities that meet the needs of the older senior population (75+).
- H6.5 Senior Advocacy. Continue to work with the Area Agency on Aging.
- H6.6 Support Services. Encourage the expansion of support services such as house cleaning, cooking, shopping and financial advising in order to meet the needs of the older, independent senior population.
- H6.7 Housing Incentives. Continue to provide reduced parking incentives for senior housing projects in combination with bonus densities to encourage the development of small senior and disabled apartment projects including efficiencies and congregate care.
- H6.8 Design Guidelines. Adopt site and unit design guidelines for senior and disabled units, which incorporate all relevant federal, state and local laws, as well as recommendations from the Access Advisory Committee (AAC).

- H7. **Housing Opportunities for Disabled.** Seek to ensure the availability of housing opportunities for the extremely low, very low, low and moderate income disabled population.

***Possible Implementation Actions to be Considered***

- H7.1 Congregate Care. Promote and assist the development and processing of new congregate housing opportunities or board and care facilities for the extremely low, very low, low and moderate income, and physically and mentally disabled persons.
- H7.2 Support for Landlords. Explore the creation of a program to support and assist landlords in accepting mentally disabled tenants.
- H7.3 Special Needs Housing. Encourage community services groups, non-profits, and the faith-based community to create special needs housing.
- H7.4 New Housing Opportunities. Work with community service providers to expand their scope of services to include housing through new construction or acquisition and rehabilitation of existing dwelling units.
- H7.5 Priority Status. Encourage the Housing Authority of the City of Santa Barbara to continue to give priority status to disabled people with the greatest housing needs.
- H7.6 Accessibility Funding. Explore ways to fund accessibility improvements for dwelling units that will be made available for disabled persons who are eligible to receive HUD Section 8 certificates.
- H7.7 At-Risk Affordable Disabled Units. Ensure that affordable units occupied by disabled tenants at risk of converting to market rates are maintained as affordable, to the extent feasible.

- H8. **Accessible Housing for Disabled.** Accessibility for the disabled shall be required in new residential development and in housing to be rehabilitated.

***Possible Implementation Actions to be Considered***

- H8.1 Accessibility Review. Continue the ongoing review of residential development plans for accessibility for the disabled.
- H8.2 Accessibility Guidelines. Distribute guidelines to builders that explain Federal and State laws regarding accessible units. Provide specific ideas and examples (such as no steps, wider doors and hallways and larger bathroom areas).
- H8.3 Accessible Housing. Adhere to either the Fair Housing Act or the California Building Code, whichever is more stringent, in order to provide accessible housing.

- H9. **Accessible Housing Programs.** Support the creation of new programs to aid the disabled to secure accessible housing.

***Possible Implementation Actions to be Considered***

- H9.1 Accessible Housing Incentives. Investigate and implement policies that give incentives for disabled accessible units to be included in market-rate projects.



- H9.2 Technical Assistance. Seek funding to create and fund technical assistance programs for builders wishing to construct or convert housing for the disabled. Programs could include free architectural services to rental property owners and developers, as well as construction loans or grants for the development of accessible housing affordable to extremely low, very low, low or moderate income households.
- H9.3 Case Management. Seek funding for case managers to support the disabled in independent living situations.

## New Housing Development Policies

- H10. **New Housing.** Given limited remaining land resources, the City shall encourage the development of housing on vacant infill sites and the redevelopment of opportunity sites both in residential zones, and as part of mixed-use development in commercial zones.

### *Possible Implementation Actions to be Considered*

- H10.1 Early Project Consultation. Continue to offer and encourage early staff predevelopment consultations for residential development of opportunity sites and mixed use projects.
- H10.2 Property Profiles. Continue to offer property profile services in the Planning Division that explain development potential and constraints for parcels in the City. Property profile services generally involve the review of archive, street and planning files, and the preparation of a letter report containing information regarding the property's permit history and development potential.
- H10.3 Building Reuse. Encourage residential reuse of existing nonresidential buildings, for both ownership and rental affordable housing.
- H10.4 Housing at Shopping Centers. Promote and encourage the development of mixed-use for ownership and rental housing at shopping centers such as La Cumbre Plaza shopping center, with an emphasis on affordability, by coordinating and/or partnering with property owners and housing developers.
- H11. **Promote Affordable Units.** The production of affordable housing units shall be the highest priority and the City will encourage all opportunities to construct new housing units that are affordable to extremely low, very low, low, moderate and middle income owners and renters.

### *Possible Implementation Actions to be Considered*

- H11.1 Affordable and Workforce Housing. Explore options to promote affordable and workforce housing, including revising the variable density ordinance provisions to increase affordable housing (e.g., limit unit size), requiring a term of affordability, and reducing parking standards with tenant restrictions.
- H11.2 Priority Housing Overlay. Encourage the construction of rental housing, employer sponsored housing, and co-operative housing in the Downtown, La Cumbre Plaza/Five Points area, C-M Commercial Manufacturing Zone and Milpas Street area by providing incentives such as:
- Increased density overlays up to 63 du/ac as part of the Average Unit-Size Density Incentive Program.

- Higher Floor Area Ratios (FAR) when such standards are developed.
- More flexibility with zoning standards, (e.g., reduced parking standards).
- Expedited Design Review process.
- Fee waivers or deferrals.

H11.3 Inclusionary Housing. Amend the Inclusionary Housing Ordinance to:

- a. Consider a 15 - 25 percent inclusionary affordable housing provision in new residential ownership developments for affordable housing to accommodate workforce (middle) income earners; and
- b. Amend the payment of in-lieu fees to include the following considerations:
  - Eliminate or reduce inclusionary housing in-lieu fees based on preferred development, such as affordable or special needs housing projects;
  - Adjust the inclusionary housing in-lieu fee rate based on unit size (i.e., lower fees for smaller units); and
- c. Require a Housing Mitigation Fee Program for commercial development; and
- d. Suspend the inclusionary housing requirements or in-lieu fees during times of economic downturn if development costs are prohibitive.

H11.4 Density Standards. Develop density standards that permit greater densities for projects that provide a greater percentage of price-restricted ownership units than required by the inclusionary housing ordinance.

H11.5 Bonus Density. Continue to provide bonus density units above levels required by State law, to be reviewed on a case-by-case basis.

H11.6 Private Sponsors. Continue to solicit proposals for low-, moderate-, and middle income projects from private sponsors and develop programs to assist in their implementation.

H11.7 Infill Housing. Continue to assist the development of infill housing including financial and management incentives in cooperation with the Housing Authority and private developers to use underutilized and small vacant parcels of land for new extremely low, very low, low and moderate income housing opportunities.

H11.8 Opportunity Sites. Assist, coordinate or partner with builders for the development of affordable housing projects by identifying in-fill and opportunity sites in the commercial zones, on public lands and under-developed R-2, R-3 and R-4 sites.

H11.9 Sweat Equity Projects. Continue to support special procedures for development, permitting, construction and early occupancy of “sweat equity” projects.

H11.10 Large Rental Units. Encourage the construction of three bedroom and larger rental units for low-, moderate-, and middle income families, including the Housing Authority, in efforts to develop and/or acquire three+ bedroom units.

- H11.11 Condominium Conversions. Continue to implement the Municipal Code's Condominium Conversion Ordinance to provide opportunities for entry-level home ownership in a variety of locations while maintaining a supply of rental housing for extremely low, very low, low and moderate income persons.
- H11.12 Surplus Land. Inventory all land in the City owned by County, State and Federal governments, the Santa Barbara School and High School Districts and public utilities, and actively pursue dedication of surplus land for development of low, moderate and middle income housing, and for qualifying employees of participating government agencies.
- H11.13 Housing Opportunities. Look for housing opportunities on City-owned land or over private and public parking lots.
- H11.14 Public Facilities. Pursue acquisition of the National Guard and Army Reserve sites in order to develop affordable housing, park, school or other public benefit facilities.
- H11.15 Financial Assistance. Apply for, or support others in applying for, all available public and private funding and financial assistance for affordable housing projects.
- H11.16 Property Transfer Tax. Increase property transfer tax to provide funding for price-restricted affordable and workforce housing, in order to broaden the funding base.
- H11.17 Alternative Revenue Sources. Explore alternative sources of revenue for Affordable Housing to replace the Central City Redevelopment Project (CCRP) area tax increment financing when it expires in 2015.
- H11.18 Extend Redevelopment Project Area. Continue to explore and pursue potential legislative amendments or other opportunities for extension or replacement of the Redevelopment Project Area and its funding mechanism for affordable housing and other community benefit projects.
- H11.19 Parcel Consolidation. Encourage the consolidation of small and underutilized parcels for the development of affordable housing, if appropriate based on neighborhood compatibility.
- H12. **Above Moderate Affordable Housing.** Provide incentives for the private sector development of new housing opportunities affordable to households earning more than 120% of the Area Median Income, but not more than 200% of the Area Median Income.

***Possible Implementation Actions to be Considered***

- H12.1 Above Moderate Housing. Encourage the development of housing for first time home buyers, including moderate and middle-income households.
- H12.2 Large Employers. Encourage large employers to mitigate affordable housing impacts.
- H13. **Non-Subsidized Rental Housing.** Preserve and promote non-subsidized affordable rental housing.

***Possible Implementation Actions to be Considered***

- H13.1 Preserve Rentals. Explore ways to avoid condominium conversions, or alternatively, the creation of cooperative tenant ownership of previous rentals..
- H13.2 Condominium Conversions. Amend section 28.88.120B of the Municipal Code to require all condominium conversions to conform to the density requirements of the General Plan.

H13.3 Rental Units. Allow the reconstruction or rehabilitation of existing rental apartments at non-conforming General Plan densities and zoning standards. The loss of some rental units may be considered to meet building code requirements.

H14. **Sustainable Housing.** Ensure that new market-rate residential development is consistent with the City's sustainability goal, including reduced energy and resource use, and increased affordable housing opportunities.

***Possible Implementation Actions to be Considered***

H14.1 Market Rate Housing. Market-level housing projects in the multi-family or commercial zones (including mixed-use) shall be encouraged to:

- Construct unit sizes consistent with averages and maximums set out under the City's Average Unit-Size Density Incentive Program; and
- Have access to adequate public open space within a ½-mile radius, a dedication of sufficient useable open space on-site, a contribution is made toward future parks through in-lieu fees, or a combination of any of these.

H14.2 Resource Conservation. Establish criteria and standards for resource use in relation to density in the project review process, to encourage reduced resource footprint projects. Residential projects that exhibit a significantly lower resource per capita footprint would be allowed bonus density providing the building remains smaller than allowed by zoning.

H14.3 Market-Rate Incentives. Prepare design standards and codify incentives for market rate developers to build smaller, "affordable-by-design" residential units that better meet the needs of our community.

H15. **Secondary Dwelling Units.** Second units (granny units) in single family zones shall be allowed within certain areas with neighborhood input to gauge level of support, but prohibited in the High Fire Hazard Zones to the extent allowed by the State laws applicable to second units. Second units may be most appropriate within a short walking distance from a main transit corridor and bus stop.

***Possible Implementation Actions to be Considered***

H15.1 Secondary Dwelling Unit Ordinance. Amend the Secondary Dwelling Unit Ordinance to provide more site planning flexibility and affordable-by-design concepts such as:

- Changing the existing size limitations to remove percentage of unit size and allowable addition requirements, and allowing a unit size range (300 – 700 s.f.);
- The square footage of the secondary dwelling unit shall be included in the floor-to-area ratio (FAR) for the entire property and shall be consistent with the Neighborhood Preservation Ordinance FAR;
- Eliminating the attached unit requirement;
- Eliminating or adjusting affordability requirements;
- Allowing tandem parking and easing other parking requirements on a case-by-case basis;

- Allowing one water, gas, and electric meter and a single sewer line, or reviewing requirements for meter placement and configuration to minimize the cost of individual metering of dwelling units; and
- Developing guidelines and prototypes of innovative design solutions.

H16. **Expedite Development Review Process.** Assist affordable housing sponsors to produce affordable housing by reducing the time and cost associated with the development review process while maintaining the City's commitment to high quality planning, environmental protection and urban design.

***Possible Implementation Actions to be Considered***

H16.1 Affordable Housing Projects. Continue to give priority to affordable housing projects on Staff, Committee and Commission agendas.

H16.2 Affordable Housing Facilitator. Continue to have a Staff-level Affordable Housing Facilitator with clearly established roles and responsibilities as defined by City Council.

H16.3 CEQA Exemption. Continue to use the CEQA infill exemption for Affordable Housing projects as appropriate.

H16.4 Coordinated Project Review. Address issues of coordination between the Architectural Board of Review (ABR), the Historic Landmarks Commission (HLC), the Staff Hearing Officer (SHO) and the Planning Commission (PC). Identify areas where additional staff authority could be given for administrative approvals.

H16.5 Infill Project Guidelines. Work with AIA, ABR and HLC members to develop guidelines and examples for small infill projects (adding 1-3 units). Consider allowing projects consistent with the guidelines to be reviewed as Consent items when appropriate.

H16.6 Administrative Approvals. Develop a list of administrative approvals for small infill projects that would include, but not be limited to the following:

- Paint color
- Window changes
- Water heater enclosures
- Room additions
- Additions of less than 250 s.f.
- Small infill projects consistent with adopted design prototypes

H16.7 Water Meters. Allow new apartment developments to be served by a single water meter for interior uses with sub-meters for each unit, as appropriate, or review requirements for meter placement and configuration to minimize the cost of individual metering of dwelling units.

H16.8 Expedited Review. Continue working with the Architectural Board of Review (ABR) and the Historic Landmarks Commission (HLC), and City departments to expedite the review of Affordable Housing Projects. As appropriate, establish joint sub-committees of design review boards and Planning Commission to offer early, consistent and timely input and problem solving during the review process.

H16.9 Multi-Family Design Guidelines. Develop multi-family residential design guidelines and standards to address unit size, setbacks, open space, landscaping, building size, bulk and scale, and site planning (e.g., pedestrian-friendly design, front porches facing the street or courtyard, and parking located out of sight).

H17. **Flexible Standards.** Implement changes to development standards to be more flexible for rental, employer sponsored workforce housing, affordable housing projects, and limited equity co-operatives, where appropriate.

***Possible Implementation Actions to be Considered***

H17.1 Parking Requirements. Consider incremental changes to the Zoning Ordinance parking requirements such as:

- Reducing parking requirements for projects that develop under the Average Unit-Size Density Incentive Program to 1 space minimum per unit.
- Allowing tandem parking
- Providing more flexibility for constrained sites (e.g., allowing for more than one maneuver, use of car stacking devices or other space saving measures)
- Eliminating guest parking requirements for housing in the Downtown commercial area
- Rounding down when calculating parking requirements

H17.2 Zoning Standards. Consider amending the Zoning Ordinance to change how, where and the extent of outdoor living space, yard and setback requirements for housing in commercial zones.

H17.3 Expedite Environmental Review. Develop and maintain a system for use of the City's Master Environmental Assessment Document as a means of expediting the environmental review process consistent with State law regarding housing.

H17.4 Development Review Process. On an ongoing basis, evaluate the current development review system and make recommendations for improvements.

H18. **Monitoring of Net Housing Gains and Losses.** The City shall monitor housing development and progress toward achieving housing goals.

***Possible Implementation Action to be Considered***

H18.1 Adaptive Management Program. Through the Adaptive Management Program, monitor and report annually to the Planning Commission, City Council and public, the number of total and affordable dwelling units (including bonus density units) that are being constructed, and the number of units converted to commercial use or demolished and not replaced.

## **Conservation and Improvement of Existing Housing Policies**

H19. **Rehabilitation Programs.** The City shall continue to expand its voluntary housing rehabilitation programs, and preserve existing housing in all parts of the City.

***Possible Implementation Actions to be Considered***

- H19.1 Rehabilitation Loans. Continue to provide rehabilitation loans to low- and moderate-income owner households in neighborhoods displaying the greatest need for rehabilitation.
  - H19.2 Outreach Efforts. Increase outreach efforts to encourage homeowners and apartment owners to participate in the City's Housing Rehabilitation Loan Program (HRLP).
  - H19.3 Review HRLP. Review and evaluate the objectives of the HRLP for consistency with the 2011 Housing Element goals.
  - H19.4 Low-Interest Loans. Continue to provide low interest rehabilitation loans for housing sponsors to rehabilitate multi-family structures.
  - H19.5 Neighborhood Surveys. Continue to survey neighborhoods that have the highest number and concentration of units in need of rehabilitation.
  - H19.6 Mobile Home Parks. Investigate rehabilitation loan programs for the rehabilitation of mobile home park infrastructure.
  - H19.7 Remove Architectural Barriers. Continue the City's Home Rehabilitation Loan Program's efforts to remove architectural barriers in the homes of disabled citizens.
  - H19.8 Substandard Housing. Continue to allow the appropriate demolition of substandard housing.
- H20. **Property Improvements.** The City shall encourage residential property owners to improve the conditions of their property(ies) to a level that exceeds the minimum standards of the California Building Code and the Uniform Housing Code

***Possible Implementation Actions to be Considered***

- H20.1 Zoning Enforcement. Continue to focus building and zoning enforcement efforts on property owners who are chronic, repeat offenders with emphasis on multi-departmental inspections and abatement orders, and prosecution of violators through the court system.
- H20.2 Substandard Apartment Complexes. Look for opportunities to acquire larger, substandard apartment complexes in cooperation with the Housing Authority, Peoples' Self Help Housing or other community-based organizations in order to correct health and safety problems and to provide ongoing management services.
- H20.3 Bilingual Assistance. Continue to provide a bilingual ombudsperson for tenants in substandard units who wish to file a housing complaint.
- H20.4 Zoning Information Reports. Continue to require Zoning Information Reports when residential units change ownership, excluding condominiums.
- H20.5 Illegal Dwelling Units. Consider ways to legalize illegal dwelling units in accordance with the requirements of the Zoning Ordinance.
- H20.6 Code Enforcement. Consider intensifying enforcement of the requirements of the Zoning Ordinance, the California Building Code and the Uniform Housing Code only if adequate protection measures and relocation assistance are available for tenants who may be displaced by such enforcement activities.



- H20.7 Substandard Buildings. Consider implementing a program that would require owners of buildings found by the City's Building and Safety Division to be substandard to assume the financial burden of relocating their tenants to habitable units.
- H20.8 Tax Code. Continue to utilize the processes of Sections 17274 and 24436.5 of the *State Revenue and Taxation Code* which prohibits a taxpayer who derives rental income from substandard housing from receiving income tax deductions for interest, taxes, depreciation or amortization paid or incurred with respect to the substandard housing.
- H21. **Preserve Affordable Housing**. Maintain the affordability of existing extremely low, very low, low and moderate income dwelling units.

***Possible Implementation Actions to be Considered***

- H21.1 Affordability Covenants. Continue to monitor and preserve affordable housing covenants before they expire.
- H21.2 At-Risk Affordable Units. Continue to encourage the Housing Authority and nonprofit organizations to acquire and manage units whose affordability requirements are due to expire.
- H21.3 Expiring Affordability. For projects with expiring affordability provisions:
- Make a determination as to whether longer affordability is feasible under existing financing;
  - Engage in dialogue with property owners, no later than 12 months prior to the expiration of the recorded affordability covenant, to extend the affordability period. If the affordability period is not extended the City in conjunction with the property owner shall notify the tenants of the impending expiration to ensure proper and timely notification;
  - Explore options for refinancing first mortgage bonds;
  - Explore potential for sale of project to nonprofit or the Housing Authority;
  - Require additional affordability as a condition of subordination of an existing City loan against the property.
- H21.4 Presidio Park Apartments. Ensure that Presidio Park Apartments remain affordable in the interim between when their Section 8 contract expires (2004) and when the City has option to purchase (2018). Develop a financial plan to purchase Presidio Park Apartments as long term affordable housing project in 2018.

## Regional Cooperation and Jobs/Housing Balance Policies

- H22. **Work to Solve Regional Jobs/Housing Imbalance.** The City is committed to working with neighboring jurisdictions and the private sector to solve the regional jobs/housing imbalance in a regional manner.

### *Possible Implementation Actions to be Considered*

- H22.1 Affordable Housing Task Group. Continue to support and participate on the Joint Cities / County Affordable Housing Task Group.
- H22.2 Shared Housing Development. Explore joint housing development opportunities, with the County of Santa Barbara and the cities of Carpinteria and Goleta.
- H22.3 Affordability Criteria. Continue coordination with the County to maintain uniform affordability criteria.
- H22.4 Farmworker Housing. Encourage and support the County's efforts to address the special housing needs of farmworkers on the South Coast.
- H22.5 Affordable and Workforce Housing. Continue to work with community groups in support of Affordable and "Workforce" housing on the South Coast.
- H22.6 Coastal Housing Partnership. Continue to participate and support the Coastal Housing Partnership, as well as explore ways to expand its role and reach.
- H22.7 Employer Incentives. Work with the Coastal Housing Partnership to develop incentives for employers throughout the South Coast to provide employee housing on-site or close-by off-site, and establish or expand programs that encourage employers to provide other housing benefits or financial assistance programs, such as down payments, closing costs and rental move-in fees for employees.
- H22.8 Bridge Loans. Encourage the Community Housing Trust Fund to explore the feasibility of providing "bridge loans" to existing property owners to add small rental units (including "granny units") to their property. The bridge loan would be for the construction period. In exchange, the rental units would be required to be affordable for a reasonable period of time.
- H22.9 Affordable Student Housing. Encourage UCSB and Santa Barbara City College to address affordable student, faculty and staff housing on campus and at close-by off-site opportunity sites. Discuss with SBCC or other interested organizations the potential and obstacles to development of student housing on campus or within walking distance to the campus. Provide encouragement and assistance in pursuit of any needed legislative or Local Coastal Plan Amendments for the provision of student housing.
- H22.10 Regional Coordination on Affordable Housing. Continue to coordinate with other South Coast agencies to identify available land for residential development and consider partnerships between local agencies to develop housing for the South Coast workforce. Inventory and consider publicly-owned sites throughout the South Coast's urban areas with good transit accessibility for such development.

- H23. **Sustainable Regional Housing Solutions.** Develop regional strategies to fund and construct Affordable Housing for different need categories (e.g., senior, young families, disabled, homeless) within existing urban growth limits.

***Possible Implementation Actions to be Considered***

- H23.1 State and Federal Funding. Explore opportunities for joint City/County applications for Federal and State housing assistance programs.
- H23.2 Annexations. At the request of the County and community, pursue joint projects, including annexations, similar to the Mercy Housing / St. Vincent's affordable housing project.
- H23.3 City Resources. Look for opportunities to use City funding and staffing resource for affordable projects outside the City limits as requested and appropriate.
- H23.4 New Funding Sources. Encourage the community-based Housing Trust Fund and the Trust for Public Lands to work together in efforts to identify new funding sources for affordable housing projects.
- H23.5 Housing Authority Coordination. Encourage the City and County Housing Authorities to work together to purchase sites and/or construct affordable housing.
- H24. **Cooperation on Legislative Changes.** Pursue a joint legislative platform to achieve regional housing solutions for the South Coast.

***Possible Implementation Actions to be Considered***

- H24.1 Rental Housing. Encourage the passage of legislation that provides incentives for the construction of rental housing.
- H24.2 Condominium Production. Encourage the passage of legislation that would resolve the condominium construction defect liability problem.
- H24.3 Housing for Disabled. Support State legislation that would expand housing opportunities for the disabled.
- H24.4 Redevelopment. Pursue State legislation to extend the life of the Redevelopment Agency's Central City Redevelopment Project.
- H24.5 Residential Development. Encourage the federal and state governments to establish policies and expand programs that will assist in the production and financing of residential development including the following:
- Adopt legislation or regulatory changes that will result in an expanded secondary mortgage market for mixed use and affordable housing developments.
  - Revise the tax code to provide incentives for the construction and ownership of rental housing, such as accelerated depreciation.
  - Increase funding for affordable housing programs.
  - Amend the Community Reinvestment Act to require banks and savings associations to provide more financing for the production of affordable housing.
  - Adopt legislation that will facilitate the use of Mortgage Credit Certificates and tax exempt bond financing for affordable housing in higher cost areas.

H24.6 Section 8 Program. To ensure the continuation of the Section 8 Housing Voucher Program the following shall be pursued:

- Oppose any legislation that would reduce funding for the Section 8 Housing Voucher Program, including the block granting of the program to the states.
- Support legislation that provides new incremental units of Section 8 Voucher assistance nationwide, particularly in high cost areas like Santa Barbara where the need is greatest.
- Support legislation that ensures adequate Section 8 Voucher renewal funding so that the number of low-income families presently served is not reduced.

## Public Education and Information Policies

H25. **Housing Information.** Encourage broad based support in the community for the siting and permitting of affordable housing projects, senior housing, homeless shelters, and group homes for persons with disabilities or terminal illnesses.

### *Possible Implementation Actions to be Considered*

H25.1 Housing Resources. The City shall provide information to the public about housing needs and resources that exist in the community:

- Through reports to the Planning Commission or City Council, and in coordination with the Housing Authority:
- By public access television to provide information on affordable housing: what it is, whom it is for, and why it is necessary.

H25.2 Rental Incentive Information. Provide rental incentive program information to potential developers regarding the need for large (3+ bedroom) rental units affordable to extremely low, very low, low, and moderate income households.

H26. **Affordable Housing Information.** Inform the public of affordable housing opportunities that currently exist in the community.

### *Possible Implementation Actions to be Considered*

H26.1 Tax Deductions. Provide information on the availability of California income tax deductions to those persons rehabilitating property for handicapped access.

H26.2 Housing Opportunities. Continue to publish and distribute a resource guide to inform consumer households of available housing opportunities and community programs.

H26.3 Accessibility Regulations. Continue to provide information and technical assistance to property owners concerning compliance with Title 24, ADA and Fair Housing Act regulations (the standards for accessibility by the disabled).

H26.4 Housing Achievements. Support and assist efforts to publicize both public and private affordable housing achievements.

